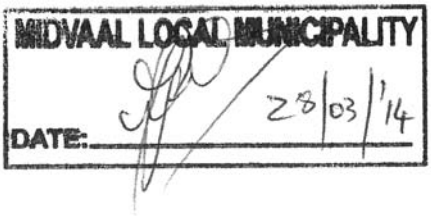
MIDVAAL
LOCAL MUNICIPALITY



Draft

Budget 2014/2015

Medium Term Revenue & Expenditure Framework

2014 / 2015 – 2016/2017

(Tabled to Council 27 March 2014)

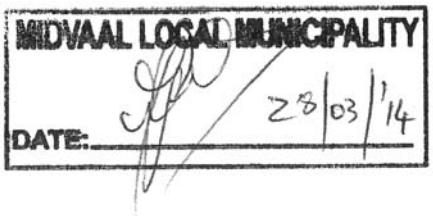


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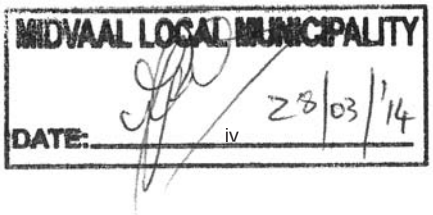
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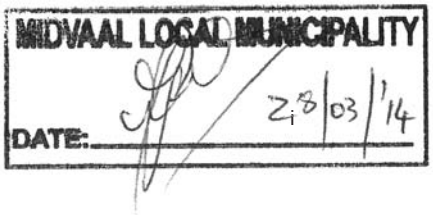
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Abbreviations and Acronyms



AMR	Automated Meter Reading
ASGISA	Accelerated and Shared Growth Initiative
BSC	Budget Steering Committee
CBD	Central Business District
CFO	Chief Financial Officer
CPI	Consumer Price Index
CRR	Capital Replacement Reserve
DBSA	Development Bank of South Africa
DoRA	Division of Revenue Act
DWA	Department of Water Affairs
EE	Employment Equity
EEDSM	Energy Efficiency Demand Side Management
EM	Executive Mayor
FBS	Free basic services
GAMAP	Generally Accepted Municipal Accounting Practice
GDP	Gross domestic product
GDS	Gauteng Growth and Development Strategy
GFS	Government Financial Statistics
GRAP	General Recognised Accounting Practice
HR	Human Resources
HSRC	Human Science Research Council
IDP	Integrated Development Strategy
IMFO	Institute of Municipal Finance Officers
IT	Information Technology
kℓ	kilolitre
km	kilometre
KPA	Key Performance Area
KPI	Key Performance Indicator
kWh	kilowatt
ℓ	litre
LED	Local Economic Development
MEC	Member of the Executive Committee
MFMA	Municipal Financial Management Act
MIG	Municipal Infrastructure Grant
MM	Municipal Manager
MMC	Member of Mayoral Committee
MPRA	Municipal Properties Rates Act
MSA	Municipal Systems Act
MTEF	Medium-term Expenditure Framework
MTREF	Medium-term Revenue and Expenditure Framework
NERSA	National Electricity Regulator South Africa
NGO	Non-Governmental organisations
NKPIs	National Key Performance Indicators
OHS	Occupational Health and Safety
OP	Operational Plan
PBO	Public Benefit Organisations
PHC	Provincial Health Care
PMS	Performance Management System
PPE	Property Plant and Equipment
PPP	Public Private Partnership
PTIS	Public Transport Infrastructure System
SALGA	South African Local Government Association
SAPS	South African Police Service
SDBIP	Service Delivery Budget Implementation Plan
SMME	Small Micro and Medium Enterprises



Part 1 – Annual Budget

1.1 Mayor's Report

To be tabled at Council Meeting.

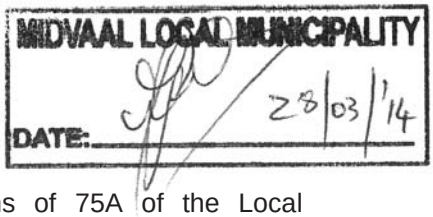
1.2 Council Resolutions (these are the proposed resolutions to be adopted by Council during May 2014)

1. The Council of Midvaal Local Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:

 1.1. The annual budget of the municipality for the financial year 2014/15 and the multi-year and single-year capital appropriations as set out in the following tables:
 1.1.1. Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table 18;
 1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table 19;
 1.1.3. Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table 21 ; and
 1.1.4. Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table 22.

 1.2. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:
 1.2.1. Budgeted Financial Position as contained in Table 23;
 1.2.2. Budgeted Cash Flows as contained in Table 24;
 1.2.3. Cash backed reserves and accumulated surplus reconciliation as contained in Table 25;
 1.2.4. Asset management as contained in Table 26; and
 1.2.5. Basic service delivery measurement as contained in Table 27.

2. The Council of Midvaal Local Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2014 the tariffs as contained in Annexure D:
 2.1. the tariffs for property rates
 2.2. the tariffs for electricity
 2.3. the tariffs for the supply of water
 2.4. the tariffs for sanitation services
 2.5. the tariffs for solid waste services



3. The Council of Midvaal Local Municipality, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2014 the tariffs for other services, as set out in Annexures D.

To give proper effect to the municipality's annual budget, the Council of Midvaal Local Municipality approves that cash backing is implemented through the utilisation of a portion of the revenue generated from property rates to ensure that all capital reserves and provisions, unspent long-term loans and unspent conditional grants are cash backed

as required in terms of the municipality's funding and reserves policy as prescribed by section 8 of the Municipal Budget and Reporting Regulations.

1.3 Executive Summary

Planning Framework

The Constitution requires local government to relate its management, budgeting and planning functions to its service delivery objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. This includes the compilation of the Medium Term Revenue and Expenditure Framework (MTREF).

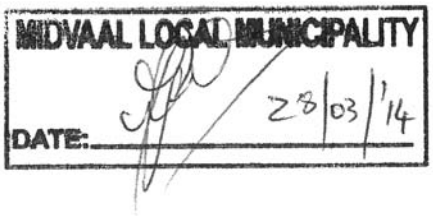
The Municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into Key Performance Areas, Strategic Objectives, Key Focus Areas, Key Performance Indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan.

With the compilation of the 2014/15 MTREF, each department/function must review the priorities and targets contained in the IDP (taking the 2013/2014 performance against the Budget and Departmental Service Delivery and Budget Implementation Plan into account) and request resources via the budget process accordingly. The setting of targets and resource allocation will be done as a single process in the 2014/2015 – 2016/2017 MTREF period.

Midvaal IDP Key Performance Areas

The Key Performance Areas contained in the Midvaal IDP are as follows:

- Governance and Stakeholder Participation
- Safety and Environment
- Social and Community Development
- Institutional Transformation
- Financial Sustainability
- Physical Infrastructure and Energy Efficiency
- Services and Customer Care
- Economic Growth and Development



Requests for resources not in support of the abovementioned KPA's will only be considered in exceptional circumstances.

The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Council remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The Municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programmes so as to maintain sound financial stewardship. A critical review was also undertaken of expenditures on noncore and 'nice to have' items. Key areas where

savings were realised were on telephone and internet usage, printing, workshops, travel, accommodation, and catering. The Midvaal Local Municipality has adopted a cost curtailment strategy during 2013 and the application of the policy will continue during the MTREF period.

The Municipality has embarked on implementing a range of revenue collection strategies to optimise the collection of debt owed by consumers. Furthermore, the Municipality has undertaken workshops to register indigents to ensure the poorest of the poor are protected.

National Treasury's MFMA Circulars No. 70 and 72 were used to guide the compilation of the 2014/15 MTREF.

The main challenges experienced during the compilation of the 2014/15 MTREF can be summarised as follows:

- The on-going difficulties in the national and local economy;
- Aging and poorly maintained water, roads and electricity infrastructure;
- The need to reprioritise projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;
- The increased cost of bulk water and electricity (due to tariff increases from Rand Water and Eskom), which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable - as there will be point where services will no-longer be affordable;
- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies;
- Affordability of capital projects.

The following budget principles and guidelines directly informed the compilation of the 2014/15 MTREF:

- The 2013/14 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2014/15 annual budget;
- Service level standards were used to inform the measurable objectives, targets and development goals;
- Tariff and property rate increases should be affordable. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;
- The following items and allocations to these items had to be supported by a list and/or motivation setting out the intention and cost of the expenditure which was used to prioritise expenditures:
 - Contracted services;
 - Furniture and office equipment;
 - New staff members

In view of the aforementioned, the following table is a consolidated overview of the proposed 2014/15 Medium-term Revenue and Expenditure Framework:

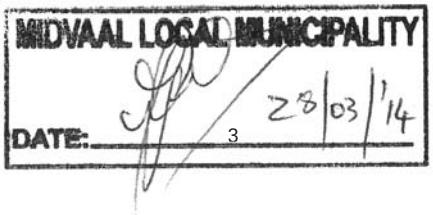


Table 1 Consolidated Overview of the 2014/15 MTREF

R Thousand	Ajustment Budget 2013/14	Budget Year 2014/15	Budget Year + 1 2015/16	Budget Year + 2 2016/17
Total Operating Revenue	686 711 189	777 591 206	871 932 193	982 033 018
Total Operating Expenditure	741 144 056	829 564 237	917 899 762	1 027 408 110
Contribution to Capital Budget (CRR)	15 073 674	18 611 000	25 080 000	7 899 193
Contribution to Capital Budget (Grants and Contributions)	37 313 698	37 986 000	51 800 000	53 158 000
Redemption of External Loans	9 738 946	19 870 835	20 138 226	20 215 757
Offset Depreciation	-117 353 402	-129 026 893	-143 778 672	-134 198 822
(Surplus)/Deficit for the year	794 217	586 027	792 877	7 550 780
Total Capital Expenditure	96 907 417	85 997 000	94 880 000	66 057 193

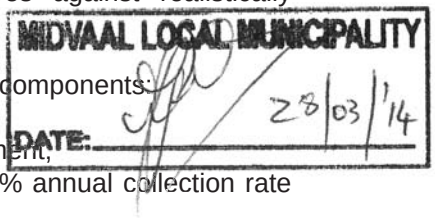
Total operating revenue has grown by 13 % or R90 million for the 2014/15 financial year when compared to the 2013/14 Adjustments Budget. For the two outer years, operational revenue will increase by 12.1 and 12.6 % respectively, equating to a total revenue growth of R204.4 million over the MTREF when compared to the 2013/14 financial year.

Total operating expenditure for the 2014/15 financial year has been appropriated at R829.5 million and translates into a budgeted surplus of R586 027. When compared to the 2013/14 Adjustments Budget, operational expenditure has grown by 12 % in the 2014/15 budget and by 10.6 and 11.9 % for each of the respective outer years of the MTREF. The operating surplus for the two outer years steadily increases to R792 877 and then to R7 550 780. These surpluses will be used to phase out offset depreciation.

The capital budget of R85.9 million 2014/15 is 11.3 % less when compared to the 2013/14 Adjustment Budget. The reduction is due to various projects being finalised in the previous financial year as well as affordability constraints in the light of current economic circumstances. The capital programme increases with 10.3% to R94 880 000 in the 2015/16 financial year and then decrease in 2016/17 to R66 057 193. A substantial portion of the capital budget will be funded from MIG funding of R28 686 000. The balance will be funded from internally generated funds and also public contributions.

1.4 Operating Revenue Framework

For Midvaal to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.



The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 96 % annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);

- Achievement of full cost recovery of specific user charges especially in relation to trading services (remaining a challenge as a result of the offsetting of depreciation);
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the Municipality.

The following table is a summary of the 2014/15 MTREF (classified by main revenue source):

Table 2 Summary of revenue classified by main revenue source

Description	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue By Source										
Property rates	71 589	90 133	94 353	118 112	108 978	108 978	70 980	130 588	142 521	167 345
Property rates - penalties & collection charges	–	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	154 826	185 503	214 118	242 148	242 148	242 148	155 316	277 788	311 794	360 390
Service charges - water revenue	86 666	100 153	117 586	125 329	128 329	128 329	87 570	148 112	161 067	181 887
Service charges - sanitation revenue	20 524	22 235	24 319	26 277	26 277	25 567	17 148	30 855	33 410	37 272
Service charges - refuse revenue	16 304	17 430	21 316	25 568	25 568	25 568	17 148	30 008	32 463	36 098
Service charges - other	–	–	12 304	–	–	–	–	6 162	6 495	6 845
Rental of facilities and equipment	–	–	–	–	–	–	–	1 300	1 370	1 444
Interest earned - external investments	775	1 157	2 037	1 800	2 800	2 800	2 244	2 000	2 108	2 222
Interest earned - outstanding debtors	6 820	7 688	7 120	7 200	5 200	5 200	3 088	4 000	4 216	4 444
Dividends received	–	–	–	–	–	–	–	–	–	–
Fines	10 440	10 440	7 020	9 000	14 000	14 000	9 290	14 523	15 307	16 134
Licences and permits	–	–	–	–	–	–	–	–	–	–
Agency services	–	–	–	–	–	–	–	–	–	–
Transfers recognised - operational	196 271	64 655	58 926	71 284	62 287	62 997	80 307	77 119	82 502	96 905
Other revenue	24 502	20 031	73 460	32 957	34 811	34 811	19 637	21 700	27 159	28 060
Gains on disposal of PPE	714	106	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)	589 431	519 529	632 559	659 674	650 398	650 398	462 728	744 155	820 412	939 046

Table 3 Percentage growth in revenue by main revenue source

Description	Current Year 2013/14		2014/15 Medium Term Revenue & Expenditure Framework					
R thousand	Adjusted Budget	%	Budget Year 2014/15	%	Budget Year +1 2015/16	%	Budget Year +2 2016/17	%
Revenue By Source								
Property rates	108 978	15%	130 588	20%	142 521	9%	167 345	17%
Service charges - electricity revenue	242 148	13%	277 788	15%	311 794	12%	360 390	16%
Service charges - water revenue	128 329	9%	148 112	15%	161 067	9%	181 887	13%
Service charges - sanitation revenue	26 277	8%	30 855	17%	33 410	8%	37 272	12%
Service charges - refuse revenue	25 568	20%	30 008	17%	32 463	8%	36 098	11%
Interest earned - external investments	2 800	37%	2 000	-29%	2 108	5%	2 222	5%
Interest earned - outstanding debtors	5 200	-27%	4 000	-23%	4 216	5%	4 444	5%
Fines	14 000	99%	14 523	4%	15 307	5%	16 134	5%
Transfers recognised - operational	62 287	6%	77 119	24%	82 502	7%	96 905	17%
Other revenue	34 811	-53%	21 700	-38%	27 159	25%	28 060	3%
Gains on disposal of PPE	–		–		–		–	
Total Revenue (excluding capital transfers and contributions)	650 398	1%	744 155	14%	820 412	10%	939 046	14%

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

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Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the Municipality. Rates and service charge revenues comprise of 80% of the total revenue mix and follow the same trend in the outer years.

Other revenue consists of various items such as income received from, building plan fees, connection fees, renting out of properties and fines. Departments review the tariffs of these items on an annual basis to ensure they are cost reflective and market related.

Operating grants and transfers totals R116 115 million in the 2014/15 financial year and increases to R150 393 million by 2016/17. The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

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Table 4 Operating Transfers and Grant Receipts

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
RECEIPTS:									
Operating Transfers and Grants									
National Government:	40 152	47 596	55 046	58 905	58 907	58 907	65 285	71 447	79 969
Local Government Equitable Share	37 448	44 379	50 833	54 673	54 673	54 673	60 716	67 900	76 071
Municipal Systems Improvement	1 000	800	1 000	890	890	890	934	967	1 018
FMG	1 000	1 250	1 213	1 242	1 244	1 244	1 350	1 380	1 580
EPWP Incentive		299	1 000	1 000	1 000	1 000	1 135		
MIG	704	868	1 000	1 100	1 100	1 100	1 150	1 200	1 300
Provincial Government:	7 748	6 363	–	8 994	8 994	8 994	8 546	7 589	13 283
Health subsidy	5 222	4 400	–	6 494	6 494	6 494	6 916	7 289	7 683
Sport and Recreation	2 527	1 963	–	2 500	2 500	2 500	1 630	300	5 600
District Municipality:	2 511	2 859	–	3 386	3 386	3 386	3 288	3 466	3 653
Enviromental grant	2 437	2 575	–	3 117	3 117	3 117	3 000	3 162	3 333
HIV programme	73	284	–	269	269	269	288	304	320
Total Operating Transfers and Grants	50 411	56 818	55 046	71 285	71 287	71 287	77 119	82 502	96 905

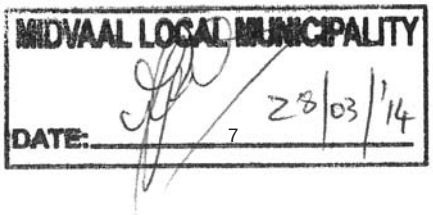
Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the Municipality.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities are encouraged to keep increases at no more than the 6 % upper boundary of the South African Reserve Bank's inflation target. Tariffs could not be contained within the targeted inflation limits due to increased cost of the provision of services. Fuel increases are far in excess of inflationary limits. Additional staff members are required to ensure continued service delivery as well as compliance with laws and regulations. The municipality is working towards a clean audit and as such full compliance becomes a critical aspect. In addition, the increases of both Eskom and Rand Water bulk tariffs are beyond the mentioned inflation target. Given that these tariff increases are determined by external agencies, the impact they have on the municipality's electricity and in these tariffs are largely outside the control of the Municipality. Discounting the impact of these price increases in lower consumer tariffs will erode the Municipality's future financial position and viability. The increases on electricity is already lower than the increase that will be paid to Eskom for bulk electricity.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity and water, petrol, diesel, chemicals, cement etc. The current challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. Within this framework the Municipality has undertaken the tariff setting process relating to service charges as follows.

1.4.1 Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.



National Treasury's MFMA Circular No. 51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties to be 0,25:1. The implementation of these regulations was done in previous budget processes and the Property Rates Policy of the Municipality has been amended accordingly.

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA). In addition to this rebate, a further R135 000 reduction on the market value of a property will be granted in terms of MLM's Property Rates Tariffs;
- 35 % rebate will be granted on all residential properties (including state owned residential properties);
- 100 % rebate will be granted to registered indigents in terms of the Indigent Policy (up to a property value of R500 000);
- For pensioners a rebate of 100 % will be granted to owners of rate-able property if the total gross income of the applicant and/or his/her spouse, if any, does not to exceed the amount equal to twice the annual state pension as approved by the National Government for a financial year.
- A 50% rebate will be granted to pensioners whose aggregate household income do not exceed R4 500 per month. In this regard the following stipulations are relevant:
 - The rate-able property concerned must be occupied only by the applicant and his/her spouse, if any, and by dependants without income;
 - The applicant must submit proof of his/her age and identity and, in the case of a physically or mentally handicapped person, proof of certification by a Medical Officer of Health, also proof of the annual income from a social pension;
 - The applicant's account must be paid in full, or if not, an arrangement to pay the debt should be in place; and
 - The property must be categorised as residential.
- The Municipality will grant a 85 % rebate on the assessment rates of rate-able properties of certain public benefit organisations. The owner of such a property must apply to the Chief Financial Officer in the prescribed format for such a rebate.

The categories of rate-able properties for purposes of levying rates and the proposed rates for the 2014/15 financial year based on a 10 % increase from 1 July 2014 are contained below:

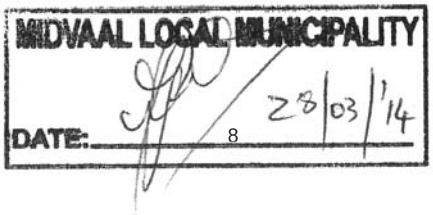
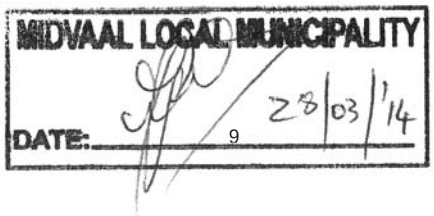


Table 5 Comparison of proposed rates to levied for the 2014/15 financial year

ITEM	DESCRIPTION	RATIO TO	2013/2014	REDUCTION	REBATE	EXEMPTION	2014/2015	REDUCTION	REBATE	EXEMPTION
	PROPERTY RATES	RES PROPERTIES		R VALUE	%	%		R VALUE	%	%
	DETERMINATION OF CHARGES PAYABLE IN TERMS OF SECTION 75A OF THE MUNICIPAL SYSTEMS ACT AND SECTION 2 OF THE MUNICIPAL PROPERTY RATES ACT 6 OF 2004									
	THE TARIFFS LISTED BELOW ARE VALID FROM 1 JULY 2014									
	PROPERTY CATEGORY									
1	RESIDENTIAL AND STATE OWNED RESIDENTIAL PROPERTIES									
1.1	Residential improved properties (Amount in Cents per rand)	1:1	R0,012120				R 0,013332			
a.	In addition to the impermissible rate of R15 000.00 as referred to in section 17[1] of			R 15 000,00				R 15 000,00		
	the Act a further reduction on the market value of the property will be granted.			R 60 000,00				R 135 000,00		
b.	The Municipality grants an additional rebate to all developed									
	residential properties				46,50%				35%	
1.2	Property that is vacant (empty stands) with zoning / proposed use earmarked for residential	1:1	R0,012120				R 0,013332			
	based on the criteria stipulated in the Rates Policy									
a.	In addition to the impermissible rate of R15 000.00 as referred to in section 17[1] of			R 15 000,00				R 15 000,00		
	the Act a further reduction on the market value of the property will be granted.			R 60 000,00				R 135 000,00		
2	BUSINESSES AND STATE OWNED BUSINESSES (amount in Cents per rand)									
2.1	Business or Commercial (including accommodation establishments)	1:1	R0,012120				R 0,013332			
2.2	Industrial	1:1	R0,012120				R 0,013332			
a.	That the maximum levy be capped at		R 148 000				R 162 800			
2.3	Property that is vacant (empty stands) with zoning / proposed use earmarked for Industrial, Business or Commercial use	1:1	R0,012120				R 0,013332			
3	MINING (Amount in Cents per rand)	1:2	R0,024440				R 0,026884			
4	FARM PROPERTIES / SMALL HOLDINGS / AGRICULTURAL HOLDINGS, INCLUDING STATE OWNED									
4.1	Residential purposes (properties smaller than 16 Ha)	1:0.25	R0,003030				R 0,003333			
4.2	Used for agricultural purposes (properties larger than 16 Ha)	1:0.1312	R0,001590				R 0,001749			
4.3	Used for other commercial, business or industrial purposes	1:1	R0,012120				R 0,013332			
4.4	Used for other commercial, business or industrial purposes	1:1	R0,012120				R 0,013332			
4.4	Used for other purposes (properties smaller than 16 ha)	1:1	R0,012120				R 0,013332			
4.5	Used for other purposes (properties larger than 16 ha)	1:1	R0,012120				R 0,013332			
5	MUNICIPAL PROPERTIES					100%				100%
6	PUBLIC SERVICE INFRASTRUCTURE					100%				100%
7	PRIVATELY OWNED SCHOOLS	1:1	R0,012120				R 0,013332			
a.	Rebate based on application				50%				50%	
8	PRIVATELY OWNED HOSPITALS	1:1	R0,012120				R 0,013332			
9	PRIVATELY OWNED SPORTS GROUNDS	1:1	R0,012120				R 0,013332			
10	PRIVATE OPEN SPACE	1:1	R0,012120				R 0,013332			
11	OLD AGE INSTITUTIONS REGISTERED AT THE DIPARTMENT OF WELFARE	1:1	R0,012120				R 0,013332			
a.	Rebate based on application				85%				85%	
12	STATE TRUST LAND	1:1	R0,012120				R 0,013332			
13	PROPERTY ACQUIRED THROUGH THE PROVISION OF LAND AND ASSISTANCE ACT OR THE RESTITUTION OF LAND RIGHTS ACT AND LAND WHICH IS SUBJECT TO THE COMMUNAL PROPERTY ASSOCIATIONS ACT (Refer Par 7.2.17 of the Property Rates Policy)					100%				100%
a.	Within the first 10 years									
b.	After the first 10 years have lapsed	1:0.25	R0,003030				R 0,003333			
14	PROTECTED AREAS AND PROPERTIES ON WHICH NATIONAL MONUMENTS ARE SITUATED					100%				100%
15	PUBLIC BENEFIT ORGANISATIONS					100%				100%
16	SERVITUDES	1:0.25	R0,003030				R 0,003333			
17	LED CATALYTIC DEVELOPMENTS									
a	Property owners provicing catalytic developments to further the Municipality's Local Economic Development Goals (business / industrial properties)	1:0.25	R0,003030				R 0,003333			
b	Property owners provicing catalytic developments to further the Municipality's Local Economic Development Goals (housing projects)	1:0.25	R0,003030				R 0,003333			
18	REBATES ARE GRANTED TO THE CATEGORIES OF OWNERS LISTED BELOW (APPLICATION BASED):									
a.	Approved Indigents - for property values up to R500 000				100%				100%	
b.	Residential property owners who are over 60 years of age, who are both the permanent occupants and the sole owners of the property concerned whose aggregate household income do not exceed two state pensions per month				100%				100%	
c.	Residential property owners who are over 60 years of age, who are both the permanent occupants and the sole owners of the property concerned whose aggregate household income do not exceed R4 500 per month				50%				50%	
d.	Place of worshop including vicarage				100%				100%	
e.	Property owners provicing									
f.	Owners of farm properties with full time farm workers (refer par 11.1.9.3 of the Property Rates Policy)				Max 10%				Max 10%	

1.4.2 Sale of Water and Impact of Tariff Increases



South Africa faces similar challenges with regard to water supply as it did with electricity, since demand growth outstrips supply. Consequently, National Treasury is encouraging all municipalities to carefully review the level and structure of their water tariffs to ensure:

- Water tariffs are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption.

In addition National Treasury has urged all municipalities to ensure that water tariff structures are cost reflective by 2014. The tariffs for the MLM are NOT yet cost reflective if the full cost of depreciation is taken into account.

Better maintenance of infrastructure and cost-reflective tariffs will ensure that the supply challenges are managed in future to ensure sustainability. Rand Water has increased its bulk tariffs with 8.1 % from 1 July 2014. A tariff increase of 10 % for MLM customers from 1 July 2014 for water is proposed. In addition 6 kℓ water per 30-day period will again be granted free of charge to all residents.

A summary of the proposed tariffs for households (residential) and non-residential are as follows:

Table 6 Proposed Water Tariffs

CATEGORY	CURRENT TARIFFS 2013/14	PROPOSED TARIFFS 2014/15
	Rand per kℓ	Rand per kℓ
RESIDENTIAL		
(i) 0 to 6 kℓ per 30-day period	Free	Free
(ii) 7 to 20 kℓ per 30-day period	20.00	22.00
(iii) 21 to 50 kℓ per 30-day period	13.70	15.07
(iv) >50 kl per 30-day period	18.00	19.80
NON-RESIDENTIAL		
(i) 0 – 25 000 kℓ per 30-day period	16.10	17.71
(ii) > 25 000 kℓ per 30-day period	9.00	9.90

The following table shows the impact of the proposed increases in water tariffs on the water charges for a single dwelling-house:

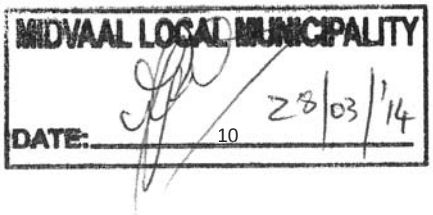


Table 7 Comparison between current water charges and increases (Domestic)

Monthly consumption kℓ	Current amount payable R	Proposed amount payable R	Difference (Increase) R	Percentage change
20	280.00	308.00	28.00	10%
30	417.00	458.70	41.17	10%
40	554.00	609.40	55.40	10%
50	691.00	760.10	69.10	10%
80	1231.00	1354.10	123.10	10%
100	1591.00	1750.10	159.10	10%

The tariff structure of the 2014/15 financial year has not been changed. The tariff structure is designed to charge higher levels of consumption at a higher rate, steadily increasing to a rate of R19.80 per kilolitre for consumption in excess of 72kℓ per 30 day period.

1.4.3 Sale of Electricity and Impact of Tariff Increases

NERSA has announced the revised bulk electricity pricing structure. A 8.06 % increase in the Eskom bulk electricity tariff to municipalities will be effective from 1 July 2014.

Considering the Eskom increases, the consumer tariff had to be increased by 7.39 % to offset the additional bulk purchase cost from 1 July 2014 (as per the NERSA requirements). Registered indigents will again be granted 50 kWh per 30-day period free of charge.

The ongoing capping of increases to municipal customers at levels lower than the cost increase of bulk purchases is not sustainable. The gross margins of the electricity service is being pushed lower on an annual basis, to such an extent that the service is now just breaking even and losses will be made in future years. Tariff increases for years after the 2014/2015 financial year will have to be at least the same as the bulk increases.

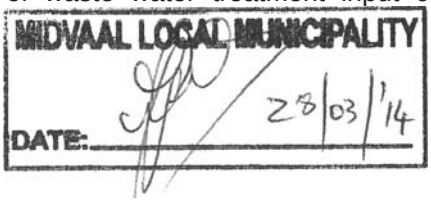
The following table shows the impact of the proposed increases in electricity tariffs on the electricity charges for domestic customers:

Table 8 Comparison between current electricity charges and increases (Domestic)

Monthly consumption kWh	Current amount payable R	Proposed amount payable R	Difference (Increase) R	Percentage change
100	78.48	83.50	5.02	6.39%
250	209.48	223.00	13.52	6.45%
500	481.13	514.00	32.87	6.80%
750	820.73	878.80	57.77	7.03%
1 000	1181.93	1266.80	84.87	7.10%
2 000	2626.73	2818.80	192.07	7.31%

1.4.4 Sanitation and Impact of Tariff Increases

A tariff increase of 10 % for sanitation from 1 July 2014 is proposed. It should be noted that electricity costs contributes approximately 20 % of waste water treatment input costs,



therefore the higher than CPI increase of 10 % for sanitation tariffs. Free sanitation will be applicable to registered indigents.

The following table shows the impact of the proposed increases in sanitation tariffs on the sanitation charges for a single dwelling-house:

Table 9 Comparison between current sanitation charges and increases, single dwelling- houses

Monthly sanitation consumption kℓ	Current amount payable R	Proposed amount payable R	Difference (10% increase) R
Basic Sanitation: Residential	73.12	80.43	7.31
Add: Sanitation: Residential	70.90	77.99	7.09

1.4.5 Waste Removal and Impact of Tariff Increases

The main cost drivers for the service are repairs and maintenance on vehicles, increases in general expenditure such as petrol and diesel and the cost of remuneration. A 10 % increase in the waste removal tariff is proposed from 1 July 2014. Higher increases will not be viable in 2014/15 owing to the significant increases implemented in previous financial years as well as the overall impact of higher than inflation increases of other services.

The following table compares current and proposed amounts payable from 1 July 2014:

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Table 10 Comparison between current waste removal fees and increases

DESCRIPTION CLEANSING AND SOLID WASTE	2013/2014 [R] VAT EXCL	2014/2015 [R] VAT EXCL
REMOVAL OF DOMESTIC USE		
From resisdential dwellings 1 in plastic bags with a conserving capacity of not more than 0.1 m³ with a maximum of 6 bags per dwelling or town house per removal. Monthly tariff	124.00	136.40
From flats and other (res 2, 3 and 4): once per week per residential unit	92.00	101.20
From agricultural holdings in plastic bags with a conservancy capacity of not more than 0.1 m³ with a maximum of 6 plastic bags per agricultural holding, once per week	124.00	136.40
REMOVAL OF BUSINESS AND DRY INDUSTRIAL REFUSE		
In plastic bags with a conserving capacity of not more than 0.1 m³ compacted or un-compacted, with a maximum of 4 bags		
One removal per week	144.00	158.40
Two removals per week	276.00	303.60
Three removals per week	403.00	443.30
Daily removals	759.00	834.90

1.4.6 Overall impact of tariff increases on households

The following table shows the overall expected impact of the tariff increases on a large and small household, as well as an indigent household receiving free basic services.

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Table 11 MBRR Table SA14 – Household bills

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Rand/cent							% incr.			
Monthly Account for Household - 'Middle Income Range'										
Rates and services charges:										
Property rates	360.38	418.74	461.54	527.57	527.57	527.57	10.0%	580.33	620.95	664.42
Electricity: Basic levy	56.80	68.02	81.63	87.34	87.34	87.34	7.4%	93.80	100.37	107.39
Electricity: Consumption	743.50	958.16	1 067.50	1 181.93	1 181.93	1 181.93	7.4%	1 266.80	1 355.48	1 450.36
Water: Basic levy	30.00	32.00	35.00	38.00	38.00	38.00	10.0%	41.80	44.73	47.86
Water: Consumption	279.94	316.34	373.30	417.00	417.00	417.00	10.0%	458.70	490.81	525.17
Sanitation	115.40	122.00	132.00	142.60	142.60	142.60	10.0%	158.42	169.51	181.38
Refuse removal	82.00	90.00	108.00	124.00	124.00	124.00	10.0%	136.40	145.95	156.16
Other										
sub-total	1 668.02	2 005.26	2 258.97	2 518.44	2 518.44	2 518.44	8.6%	2 736.25	2 927.78	3 132.73
VAT on Services										
Total large household bill:	1 668.02	2 005.26	2 258.97	2 518.44	2 518.44	2 518.44	8.6%	2 736.25	2 927.78	3 132.73
% increase/-decrease		20.2%	12.7%	11.5%	–	–		8.6%	7.0%	7.0%
Monthly Account for Household - 'Affordable Range'										
Rates and services charges:										
Property rates	220.88	147.74	162.75	186.03	186.03	186.03	10.0%	204.63	218.96	234.28
Electricity: Basic levy	56.80	68.02	81.63	87.34	87.34	87.34	7.4%	93.80	100.37	107.39
Electricity: Consumption	743.50	958.16	1 067.50	1 181.93	1 181.93	1 181.93	7.4%	1 266.80	1 355.48	1 450.36
Water: Basic levy	30.00	32.00	38.00	38.00	38.00	38.00	10.0%	41.80	44.73	47.86
Water: Consumption	279.94	316.34	373.30	417.00	417.00	417.00	10.0%	458.70	490.81	525.17
Sanitation	115.40	122.00	132.00	142.60	142.60	142.60	10.0%	158.42	169.51	181.38
Refuse removal	82.00	90.00	108.00	124.00	124.00	124.00	10.0%	136.40	145.95	156.16
Other										
sub-total	1 528.52	1 734.26	1 963.18	2 176.90	2 176.90	2 176.90	8.4%	2 360.55	2 525.79	2 702.60
VAT on Services										
Total small household bill:	1 528.52	1 734.26	1 963.18	2 176.90	2 176.90	2 176.90	8.4%	2 360.55	2 525.79	2 702.60
% increase/-decrease		13.5%	13.2%	10.9%	–	–		8.4%	7.0%	7.0%
Monthly Account for Household - 'Indigent' Household receiving free basic services										
Rates and services charges:										
Property rates										
Electricity: Basic levy										
Electricity: Consumption										
Water: Basic levy	30.00	32.00	35.00	38.00	38.00	38.00	10.0%	41.80	44.73	47.86
Water: Consumption	53.84	68.20	71.80	120.00	120.00	120.00	10.0%	132.00	141.24	151.13
Sanitation	56.40	60.00	67.00	142.60	142.60	142.60	10.0%	158.42	169.51	181.38
Refuse removal	60.00	60.00	60.00	62.00	62.00	62.00	10.0%	68.20	72.97	78.08
Other										
sub-total	200.24	220.20	233.80	362.60	362.60	362.60	10.4%	400.42	428.45	458.44
VAT on Services										
Total small household bill:	200.24	220.20	233.80	362.60	362.60	362.60	10.4%	400.42	428.45	458.44
% increase/-decrease		10.0%	6.2%	55.1%	–	–		10.4%	7.0%	7.0%

1.5 Operating Expenditure Framework

The Council's expenditure framework for the 2014/15 budget and MTREF is informed by the following:

- The asset renewal strategy and the repairs and maintenance plan;
- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the asset renewal strategy.

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- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of *no project plan no budget*. If there is no business plan no funding allocation can be made.

The following table is a high level summary of the 2014/15 budget and MTREF (classified per main type of operating expenditure):

Table 12 Summary of operating expenditure by standard classification item

Description	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Expenditure By Type										
Employee related costs	121 812	136 694	151 170	166 732	164 904	164 904	103 168	185 039	201 856	223 632
Remuneration of councillors	5 233	7 430	7 875	9 708	9 377	9 377	5 853	9 052	9 631	10 248
Debt impairment	24 802	22 990	27 323	27 060	25 060	25 060	15 785	27 180	34 596	63 405
Depreciation & asset impairment	112 453	77 423	110 580	117 353	117 353	117 353	68 456	131 700	151 873	143 545
Finance charges	16 128	14 867	15 293	22 128	22 128	22 128	8 637	18 806	17 071	14 888
Bulk purchases	157 136	199 878	225 660	249 800	252 800	252 800	169 613	283 739	312 674	357 432
Other materials	–	–	–	–	–	–	–	–	–	–
Contracted services	43 840	45 058	48 879	60 120	57 668	57 668	30 481	55 715	59 484	64 243
Transfers and grants	–	–	–	–	–	–	–	15 426	19 071	23 950
Other expenditure	68 798	68 424	66 811	90 883	91 854	91 854	50 983	102 908	111 644	126 064
Loss on disposal of PPE	–	–	–	–	–	–	–	–	–	–
Total Expenditure	550 202	572 765	653 590	743 784	741 144	741 144	452 975	829 564	917 899	1 027 407

The budgeted allocation for employee related costs for the 2014/15 financial year totals R185,039 million, which equals 22 % of the total operating expenditure. Based on the three year collective SALGBC agreement, salary increases have been factored into this budget at a percentage increase of 6.84 % for the 2014/15 financial year. An annual increase of 6.4 % has been included in the two outer years of the MTREF. As part of the Municipality's cost reprioritization and cash management strategy certain vacancies have been frozen for the 2014/2015 financial year.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the Municipality's budget.

The provision of debt impairment was determined based on an annual collection rate of 96 %. For the 2014/15 financial year this amount equates to R27 180 million and escalates to R63,405 million by 2015/16. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R131,700 million for the 2014/15 financial and equates to 16 % of the total operating expenditure.

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). Finance charges make up 2 % (R18,806 million) of operating expenditure.

Bulk purchases are directly informed by the purchase of electricity from Eskom and water from Rand Water. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures include distribution losses.

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Other expenditure comprises of amongst others the purchase of fuel, diesel, materials for maintenance, cleaning materials and chemicals. In line with the Council's repairs and maintenance plan this expenditure category has been prioritised to ensure sustainability of the Council's infrastructure. For 2014/15 the appropriation against this expenditure category has grown by 36 % to R46,645 million and continues to grow at higher than inflation for the two outer years of which budget allocation is in excess of R55 million by 2016/17.

Contracted services has been identified as a cost saving area for the Council. As part of the compilation of the 2014/15 MTREF this expenditure category was critically evaluated and operational efficiencies were enforced. In the 2014/15 financial year, this expenditure category totals R55,727 million and has decreased by 3 % (some of the items previously contained in this category was re-categorised as repairs and maintenance). For the two outer years growth has been limited to 7 and 8 %.

Other expenditure comprises of various line items relating to the daily operations of the municipality. This expenditure category has also been identified as an area in which cost savings and efficiencies can be achieved.

The following table gives a breakdown of the main expenditure categories for the 2014/15 financial year.

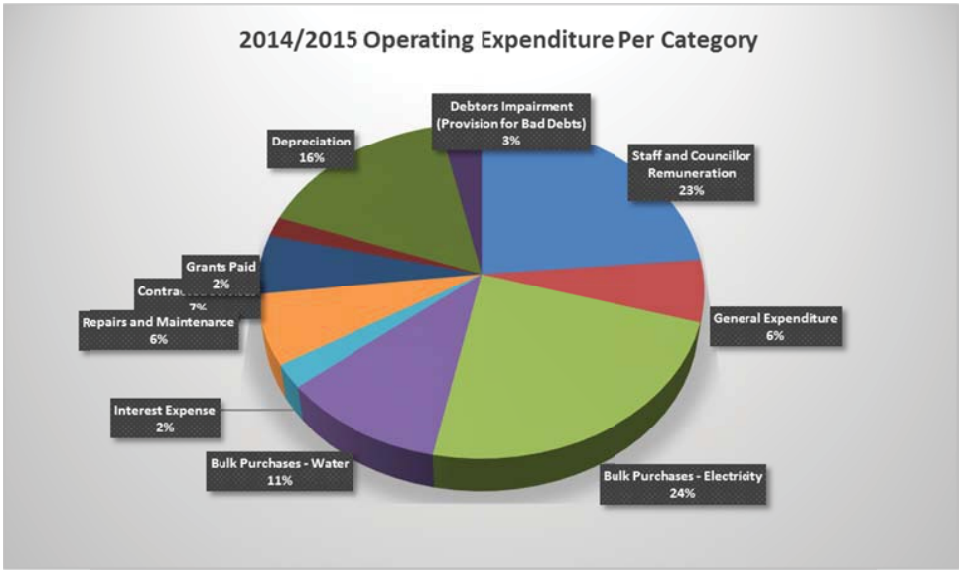


Figure 1 Main operational expenditure categories for the 2014/15 financial year

1.5.1 Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the Council's current infrastructure, the 2014/15 budget and MTREF provide for extensive growth in the area of asset maintenance, as informed by the asset renewal strategy and repairs and maintenance plan of the Municipality. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. Considering these cost drivers, the following table is a consolidation of all the expenditures associated with repairs and maintenance:

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Table 13 Operational repairs and maintenance

DESCRIPTION	F-03	F-02 2011/2012	F-01 2012/2013	F00 2013/14	F00 2013/14	F01 2014/15	F02 2015/16	F03 2016/17
	AUDITED ACTUAL	AUDITED ACTUAL	AUDITED ACTUAL	ORIGINAL BUDGET	ADJUSTMENT BUDGET	TABLED BUDGET	INDICATIVE	INDICATIVE
R & M: Buildings, Fences and Sites	942 852	1 331 044	1 523 502	2 685 305	2 690 305	5 084 161	5 692 002	6 375 044
R & M: Network / Infrastructure: Bulk Services	8 379 081	3 873 430	5 284 983	5 154 650	5 854 650	7 325 052	7 761 503	8 226 431
R & M: Network / Infrastructure: Gravel Roads	4 672 018	4 810 327	4 762 123	5 150 000	5 150 000	5 241 600	5 870 592	6 575 063
R & M: Network / Infrastructure: Tarred Roads	5 101 924	11 515 738	9 497 262	10 070 000	10 070 000	11 560 584	12 370 817	13 431 981
R & M: Network / Infrastructure: Tarred Roads Resealing	4 005 410	3 781 410	2 844 650	3 075 000	3 075 000	3 129 600	3 505 152	3 925 770
R & M: Network / Infrastructure: Replace Rotten Poles	-	-	-	-	-	240 000	268 800	301 056
R & M: Grass Cutting	-	-	-	-	-	3 078 720	3 297 671	3 475 745
R & M: Flowerbed Maintenance	-	-	-	-	-	257 296	323 890	341 380
R & M: Tree Cutting	-	-	-	-	-	54 338	83 622	88 138
R & M: Pest Control	-	-	-	-	-	33 852	62 030	65 380
R & M: Furniture	121 914	70 526	29 581	381 049	381 049	380 259	424 279	475 189
R & M: Pump Stations	713 542	453 918	1 412 002	1 518 000	1 718 000	2 617 152	2 758 554	2 907 601
R & M: Fleet Miscellaneous	3 483 033	3 388 833	3 678 736	4 750 406	1 931 406	3 234 965	3 622 386	4 057 072
R & M: Fleet	-	-	-	-	3 073 000	1 942 848	2 173 732	2 434 579
R & M: Rehab of Landfill Sites	6 824	-	-379 382	70 000	50 000	2 381 568	2 510 172	2 645 721
R & M: IT Equipment and Back-ups	-	-	22 195	79 500	79 500	83 426	93 371	104 506
	27 426 597	**29 225 226**	**28 675 653**	**32 933 910**	**34 072 910**	**46 645 421**	**50 818 573**	**55 430 656**

During the compilation of the 2014/15 MTREF operational repairs and maintenance was identified as a strategic imperative owing to the aging of the Municipality's infrastructure and historic deferred maintenance. To this end, repairs and maintenance was substantially increased by 37 % in the 2014/15 financial year, from R34 million to R46.6 million. As part of the 2014/15 MTREF this strategic imperative remains a priority as can be seen by the budget appropriations over the MTREF. In relation to the total operating expenditure, repairs and maintenance comprises between 5,5 % and 6 % for the respective financial years of the MTREF.

The table below provides a breakdown of the repairs and maintenance in relation to asset class:

Table 14 Repairs and maintenance per asset class

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	22 879	24 435	23 922	25 038	25 918	25 918	32 496	35 046	38 014
Infrastructure - Road transport	13 779	20 107	17 354	18 295	18 295	18 295	27 257	29 508	32 159
Infrastructure - Electricity	–	3 873	3 272	3 026	3 526	3 526	240	269	301
Infrastructure - Water	8 379	–	1 038	1 488	1 488	1 488	1	1	1
Infrastructure - Sanitation	714	454	2 637	2 159	2 559	2 559	2 616	2 757	2 906
Infrastructure - Other	7	–	(379)	70	50	50	2 382	2 510	2 646
Community	943	1 331	–	–	–	–	–	–	–
Other assets	3 605	3 459	4 754	7 896	8 155	8 155	14 150	15 773	17 417
Total Repairs and Maintenance Expenditure	27 427	29 225	28 676	32 934	34 073	34 073	46 645	50 819	55 431
R&M as a % of PPE	*1.3%*	*1.4%*	*1.4%*	*1.6%*	*1.6%*	*1.6%*	*2.3%*	*2.6%*	*2.9%*
R&M as % Operating Expenditure	*5.0%*	*5.1%*	*4.4%*	*4.4%*	*4.6%*	*4.6%*	*5.6%*	*5.5%*	*5.3%*

For the 2014/15 financial year, R32.4 million of total repairs and maintenance will be spent on infrastructure assets.

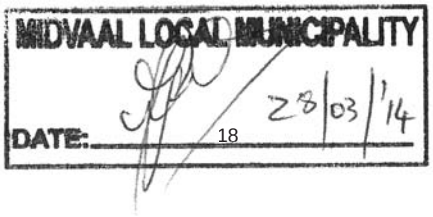
1.5.2 Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Council's Indigent Policy. Detail relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service

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delivery measurement is contained in Table 27 MBRR A10 (Basic Service Delivery Measurement).

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.



1.6 Capital expenditure

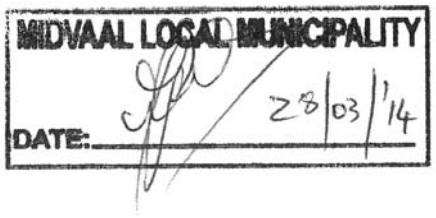
The following table provides a breakdown of budgeted capital expenditure by vote:

Table 15 2014/15 Medium-term capital budget per vote

Vote Description	Current Year	2012/2013	2014/15 Medium Term Revenue & Expenditure Framework					
R thousand	Adjusted Budget	%	Budget Year 2014/15	%	Budget Year +1 2015/16	%	Budget Year +2 2016/17	%
Capital Expenditure - Standard								
Governance and administration	3 068	3%	8 184	10%	21 600	23%	4 419	7%
Community and public safety	12 368	13%	12 830	15%	20 850	22%	6 850	10%
Economic and environmental services	22 374	23%	12 508	15%	1 410	1%	5 588	8%
Trading services	59 097	61%	52 475	61%	51 020	54%	49 200	74%
Total Capital Expenditure - Standard	96 907	100%	85 997	100%	94 880	100%	66 057	100%

Some of the salient projects to be undertaken over the medium-term includes, amongst others:

- Lakeside Library – R1 200 000;
- IT Network infrastructure – R470 000;
- Lakeside Sport Centre (MIG) – R4 500 000;
- Sicelo Football field (MIG) – R1 500 000;
- Upgrade of sewers Sicelo (MIG) – R6 000 000;
- Extension of Daleside sewer (MIG) – R6 000 000;
- Upgrade intersections – R3 000 000;
- Gravel to tar Phase 4 (MIG) – R7 516 000;
- Water tanker – R1 200 000
- Sicelo/Highbury Reservoir and Main Sewer – R7 500 000;
- Replacement of AC Pipes – R4 900 000;
- High Mast Lights De Deur – R1 400 000;
- Risiville Substation (Bulk contribution) – R5 000 000;
- Sicelo Electricity Network – R2 500 000;
- New connections – R1 200 000;
- Sicelo basic services - R1 300 000;



The following graph provides a breakdown of the capital budget to be spent per department:

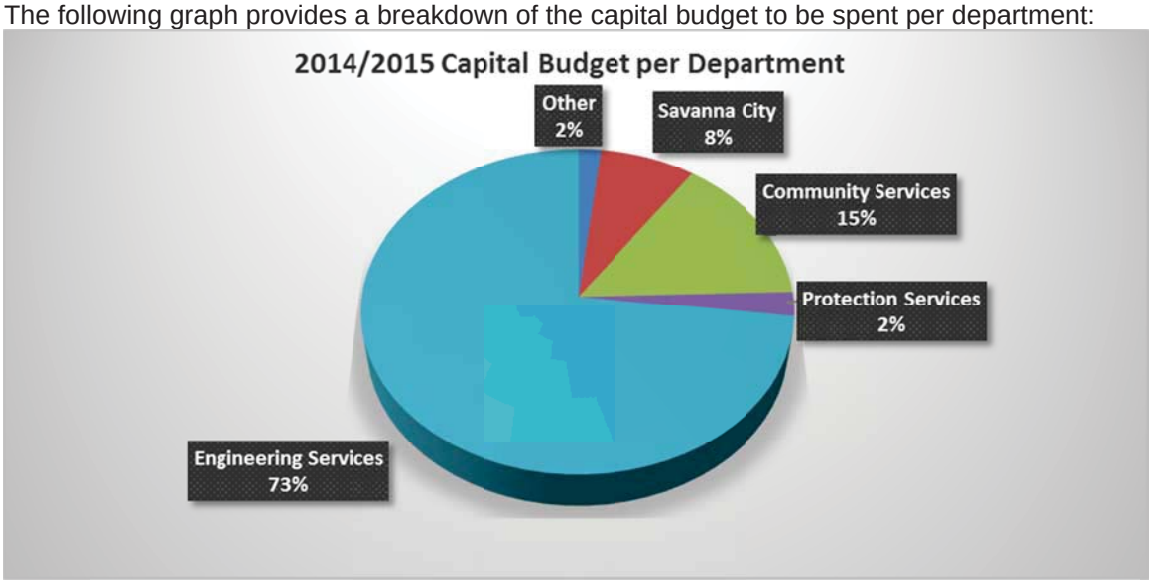


Figure 2 Capital Infrastructure Programme

1.6.1 Future operational cost of new infrastructure

The future operational costs and revenues associated with the capital programme have been included in Table 61 MBRR SA35 on page 91.

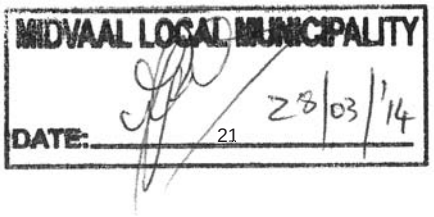
1.7 Annual Budget Tables

The following pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2014/15 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

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Table 16 MBRR Table A1 - Budget Summary

Description	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Financial Performance										
Property rates	71 589	90 133	94 353	118 112	108 978	108 978	70 980	130 588	142 521	167 345
Service charges	278 320	325 321	389 643	419 322	422 322	421 612	277 182	492 925	545 228	622 493
Investment revenue	775	1 157	2 037	1 800	2 800	2 800	2 244	2 000	2 108	2 222
Transfers recognised - operational	196 271	64 655	58 926	71 284	62 287	62 997	80 307	77 119	82 502	96 905
Other own revenue	42 476	38 264	87 600	49 157	54 011	54 011	32 015	41 523	48 053	50 082
Total Revenue (excluding capital transfers and contributions)	589 431	519 529	632 559	659 674	650 398	650 398	462 728	744 155	820 412	939 046
Employee costs	121 812	136 694	151 170	166 732	164 904	164 904	103 168	185 039	201 856	223 632
Remuneration of councillors	5 233	7 430	7 875	9 708	9 377	9 377	5 853	9 052	9 631	10 248
Depreciation & asset impairment	112 453	77 423	110 580	117 353	117 353	117 353	68 456	131 700	151 873	143 545
Finance charges	16 128	14 867	15 293	22 128	22 128	22 128	8 637	18 806	17 071	14 888
Materials and bulk purchases	157 136	199 878	225 660	249 800	252 800	252 800	169 613	283 739	312 674	357 432
Transfers and grants	–	–	–	–	–	–	–	15 426	19 071	23 950
Other expenditure	137 441	136 472	143 013	178 062	174 582	174 582	97 249	185 802	205 724	253 712
Total Expenditure	550 202	572 765	653 590	743 784	741 144	741 144	452 975	829 564	917 899	1 027 407
Surplus/(Deficit)	39 229	(53 235)	(21 031)	(84 109)	(90 747)	(90 747)	9 753	(85 409)	(97 487)	(88 361)
Transfers recognised - capital	18 536	33 200	32 006	84 316	36 314	36 314	36 314	31 236	40 000	41 158
Contributions recognised - capital & contributed a	–	–	–	–	–	–	–	2 200	11 519	1 830
Surplus/(Deficit) after capital transfers & contributions	57 765	(20 035)	10 975	207	(54 433)	(54 433)	46 066	(51 973)	(45 968)	(45 373)
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	57 765	(20 035)	10 975	207	(54 433)	(54 433)	46 066	(51 973)	(45 968)	(45 373)
Capital expenditure & funds sources										
Capital expenditure	182 779	42 457	98 130	152 467	96 907	96 907	–	85 997	94 880	66 057
Transfers recognised - capital	53 888	31 186	29 001	84 316	36 294	36 294	–	34 436	42 000	43 158
Public contributions & donations	102 851	3 837	55 714	10 000	1 500	1 500	–	8 550	9 800	10 000
Borrowing	13 293	1 931	3 112	45 440	43 046	43 046	–	24 400	18 000	5 000
Internally generated funds	12 747	5 503	10 303	12 711	16 068	16 068	–	18 611	25 080	7 899
Total sources of capital funds	182 779	42 457	98 130	152 467	96 907	96 907	–	85 997	94 880	66 057
Financial position										
Total current assets	97 216	118 018	154 498	137 978	165 308	175 486	210 472	158 677	163 049	188 890
Total non current assets	2 097 152	2 144 185	2 142 593	2 106 455	2 122 148	2 122 148	2 101 484	2 076 445	2 019 451	1 941 963
Total current liabilities	101 653	111 745	104 373	109 550	108 131	128 084	173 120	105 764	111 475	117 495
Total non current liabilities	145 823	173 522	204 806	192 135	214 846	247 600	236 318	234 693	222 329	210 037
Community wealth/Equity	1 946 891	1 976 937	1 987 912	1 942 748	1 964 480	1 921 949	1 902 517	1 894 665	1 848 696	1 803 321
Cash flows										
Net cash from (used) operating	37 195	50 658	76 695	118 381	63 882	63 882	64 722	74 645	106 224	98 375
Net cash from (used) investing	(40 102)	(41 847)	(53 274)	(152 467)	(96 907)	(96 907)	(27 346)	(84 797)	(93 580)	(64 557)
Net cash from (used) financing	6 434	(8 172)	11 713	36 332	37 425	37 425	31 512	(13 401)	(15 138)	(15 216)
Cash/cash equivalents at the year end	4 711	5 350	40 484	22 600	44 884	44 884	109 372	31 509	29 014	47 616
Cash backing/surplus reconciliation										
Cash and investments available	4 711	5 350	40 484	22 600	44 884	55 061	109 372	31 509	29 014	47 616
Application of cash and investments	24 633	42 123	57 121	10 736	27 607	51 159	91 235	30 538	19 095	20 260
Balance - surplus (shortfall)	(19 922)	(36 772)	(16 637)	11 864	17 277	3 902	18 137	970	9 919	27 356
Asset management										
Asset register summary (WDV)	2 097 152	2 144 185	2 142 593	2 106 455	2 122 148	2 122 148	2 076 445	2 076 445	2 019 451	1 941 963
Depreciation & asset impairment	112 453	77 423	110 580	117 353	117 353	117 353	131 700	131 700	151 873	143 545
Renewal of Existing Assets	49 308	13 703	27 650	93 239	35 794	35 794	35 794	33 750	31 950	23 180
Repairs and Maintenance	27 427	29 225	28 676	32 934	34 073	34 073	46 645	46 645	50 819	55 431
Free services										
Cost of Free Basic Services provided	5 351	5 945	6 607	7 340	7 340	7 340	8 135	8 135	8 933	9 747
Revenue cost of free services provided	51 914	57 683	64 092	71 212	80 346	80 346	95 406	95 406	110 506	138 652
Households below minimum service level										
Water:	4	4	4	4	4	4	4	4	4	4
Sanitation/sewerage:	1	1	1	1	1	1	1	1	1	1
Energy:	7	7	7	7	7	7	7	7	7	7
Refuse:	5	5	5	5	5	5	5	5	6	6



Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 a. The operating surplus/deficit (when taking offset depreciation into account) is positive over the MTREF
 b. Capital expenditure is balanced by capital funding sources, of which
 i. Transfers recognised is reflected on the Financial Performance Budget;
 ii. Borrowing (HP agreements for vehicles) is incorporated in the net cash from financing on the Cash Flow Budget
 iii. Internally generated funds is financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget.
4. The Cash backing/surplus reconciliation shows that in previous financial years the municipality did not have all reserves cash-backed due to the economic recession. The reserves are now cash backed according to the funding and reserves policy (with the funding of the provision for the rehabilitation of landfill sites at 75 %). The cash and reserves will have to continue to increase over the MTREF period.
5. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs.

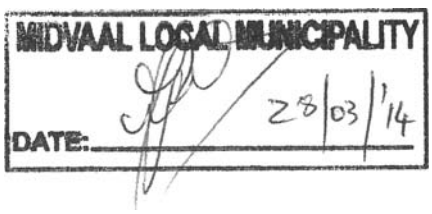


Table 17 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue - Standard										
Governance and administration		88 439	112 704	122 676	140 579	130 880	130 880	147 689	156 557	166 305
Executive and council		1 451	2 346	3 532	3 916	3 916	3 916	4 683	4 891	5 110
Budget and treasury office		85 869	106 930	116 873	134 065	123 931	123 931	140 721	149 257	158 656
Corporate services		1 118	3 428	2 270	2 598	3 032	3 032	2 285	2 408	2 538
Community and public safety		32 483	24 025	19 357	30 108	35 373	35 373	55 520	95 532	137 221
Community and social services		4 786	4 780	4 993	8 625	8 625	8 625	5 497	6 723	7 082
Sport and recreation		10 781	1 723	2 014	4 756	4 760	4 760	6 730	4 674	2 683
Public safety		11 372	12 897	7 675	10 233	15 493	15 493	15 178	22 997	16 861
Housing		–	–	–	–	–	–	21 199	53 848	102 912
Health		5 544	4 625	4 674	6 494	6 494	6 494	6 916	7 289	7 683
Economic and environmental services		48 783	16 757	15 876	12 017	12 172	12 172	12 397	6 505	10 960
Planning and development		3 085	2 917	1 897	1 841	1 997	1 997	1 881	2 583	2 840
Road transport		43 145	11 265	12 125	7 058	7 058	7 058	7 516	760	4 788
Environmental protection		2 553	2 575	1 855	3 117	3 117	3 117	3 000	3 162	3 333
Trading services		438 262	399 243	506 657	561 287	508 287	508 287	561 985	613 339	667 546
Electricity		205 090	208 353	257 170	273 726	276 726	276 726	295 155	326 866	354 488
Water		133 916	117 178	136 641	140 062	143 062	143 062	165 773	185 351	203 976
Waste water management		72 442	42 810	79 242	107 787	48 787	48 787	55 653	47 520	56 308
Waste management		26 814	30 902	33 603	39 712	39 712	39 712	45 404	53 602	52 775
Other	4	–	–	–	–	–	–	–	–	–
Total Revenue - Standard	2	607 968	552 730	664 566	743 990	686 711	686 711	777 591	871 932	982 033
Expenditure - Standard										
Governance and administration		75 433	84 470	90 093	120 014	117 484	117 484	111 497	119 791	127 264
Executive and council		12 769	14 579	16 667	24 911	24 906	24 906	22 606	23 971	25 390
Budget and treasury office		39 114	43 357	43 570	59 345	57 498	57 498	46 937	51 069	54 736
Corporate services		23 551	26 535	29 856	35 758	35 080	35 080	41 954	44 752	47 139
Community and public safety		62 803	64 692	71 829	83 650	83 767	83 767	104 839	134 180	201 880
Community and social services		9 750	10 577	11 793	12 554	12 420	12 420	15 450	17 611	17 717
Sport and recreation		16 325	14 353	16 413	19 527	18 798	18 798	20 372	23 039	23 418
Public safety		31 918	34 802	38 628	45 088	46 279	46 279	47 381	51 338	53 308
Housing		–	–	–	–	–	–	14 468	34 579	99 348
Health		4 810	4 961	4 995	6 480	6 270	6 270	7 168	7 613	8 089
Economic and environmental services		72 355	76 810	81 719	99 143	93 129	93 129	94 281	99 269	102 831
Planning and development		15 140	15 571	16 310	23 444	18 312	18 312	19 875	21 091	22 286
Road transport		54 969	58 352	63 057	72 584	71 701	71 701	71 406	75 016	77 212
Environmental protection		2 247	2 887	2 352	3 115	3 115	3 115	3 000	3 162	3 333
Trading services		339 611	346 792	409 949	440 977	446 764	446 764	518 947	564 659	595 433
Electricity		186 994	203 404	243 116	265 966	265 791	265 791	302 166	329 135	345 948
Water		80 042	88 956	98 811	106 173	110 004	110 004	125 031	136 286	144 524
Waste water management		27 919	23 459	29 571	34 462	36 029	36 029	44 049	48 497	51 890
Waste management		44 657	30 973	38 452	34 375	34 939	34 939	47 700	50 741	53 071
Other	4	–	–	–	–	–	–	–	–	–
Total Expenditure - Standard	3	550 202	572 765	653 590	743 784	741 144	741 144	829 564	917 900	1 027 408
Surplus/(Deficit) for the year		57 765	(20 035)	10 975	207	(54 433)	(54 433)	(51 973)	(45 968)	(45 375)

Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms if each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.
3. Note that as a general principle the revenues for the Trading Services should exceed their expenditures.
4. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources.
5. It must be noted that there will be an accounting deficit on the Annual Financial Statements of MLM for the entire MTREF period.

MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/14

Table 18 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue by Vote	1									
Vote 1 - executive council		1 451	2 346	3 532	3 916	3 916	3 916	25 882	58 739	108 022
Vote 2 - corporate services		1 118	3 428	2 270	2 598	3 032	3 032	2 285	2 408	2 538
Vote 3 - financial services		85 869	106 930	116 873	134 065	123 931	123 931	140 721	149 257	158 656
Vote 4 - development & planning		3 085	2 917	1 897	1 841	1 997	1 997	1 881	2 583	2 840
Vote 5 - health		5 544	4 625	4 674	6 494	6 494	6 494	6 916	7 289	7 683
Vote 6 - community & social services		4 786	4 780	4 993	8 625	8 625	8 625	5 497	6 723	7 082
Vote 7 - public safety		11 372	12 897	7 675	10 233	15 493	15 493	15 178	22 997	16 861
Vote 8 - sport & recreation		10 781	1 723	2 014	4 756	4 760	4 760	6 730	4 674	2 683
Vote 9 - environmental protection		2 553	2 575	1 855	3 117	3 117	3 117	3 000	3 162	3 333
Vote 10 - waste water management		72 442	42 810	79 242	107 787	48 787	48 787	55 653	47 520	56 308
Vote 11 - solid waste management		26 814	30 902	33 603	39 712	39 712	39 712	45 404	53 602	52 775
Vote 12 - roads & transport		43 145	11 265	12 125	7 058	7 058	7 058	7 516	760	4 788
Vote 13 - water services		133 916	117 178	136 641	140 062	143 062	143 062	165 773	185 351	203 976
Vote 14 - electricty		202 015	207 142	256 170	272 371	275 371	275 371	293 715	325 666	353 188
Vote 15 - engineering admin		3 075	1 211	1 000	1 355	1 355	1 355	1 440	1 200	1 300
Total Revenue by Vote	2	607 968	552 730	664 566	743 990	686 711	686 711	777 591	871 932	982 033
Expenditure by Vote *to be appropriated*	1									
Vote 1 - executive council		12 769	14 579	16 667	24 911	24 906	24 906	37 074	58 549	124 738
Vote 2 - corporate services		23 551	26 535	29 856	35 758	35 080	35 080	41 954	44 753	47 140
Vote 3 - financial services		39 114	43 357	43 570	59 345	57 498	57 498	46 937	51 069	54 736
Vote 4 - development & planning		15 140	15 571	16 310	23 444	18 312	18 312	19 874	21 091	22 286
Vote 5 - health		4 810	4 961	4 995	6 480	6 270	6 270	7 168	7 613	8 089
Vote 6 - community & social services		9 750	10 577	11 793	12 554	12 420	12 420	15 450	17 611	17 717
Vote 7 - public safety		31 918	34 802	38 628	45 088	46 279	46 279	47 381	51 338	53 308
Vote 8 - sport & recreation		16 325	14 353	16 413	19 527	18 798	18 798	20 372	23 039	23 418
Vote 9 - environmental protection		2 247	2 887	2 352	3 115	3 115	3 115	3 000	3 162	3 333
Vote 10 - waste water management		27 919	23 459	29 571	34 462	36 029	36 029	44 049	48 497	51 890
Vote 11 - solid waste management		44 657	30 973	38 452	34 375	34 939	34 939	47 700	50 741	53 071
Vote 12 - roads & transport		54 969	58 352	63 057	72 584	71 701	71 701	71 406	75 016	77 212
Vote 13 - water services		80 042	88 956	98 811	106 173	110 004	110 004	125 031	136 286	144 524
Vote 14 - electricty		181 225	195 965	235 218	255 655	255 627	255 627	290 326	313 374	332 850
Vote 15 - engineering admin		5 769	7 438	7 898	10 311	10 164	10 164	11 840	15 761	13 098
Total Expenditure by Vote	2	550 202	572 765	653 590	743 784	741 144	741 144	829 564	917 900	1 027 408
Surplus/(Deficit) for the year	2	57 765	(20 035)	10 975	207	(54 433)	(54 433)	(51 973)	(45 968)	(45 375)

Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the Council. This means it is possible to present the operating surplus or deficit of a vote. The following table is an analysis of the surplus or deficit for the electricity and water trading services.

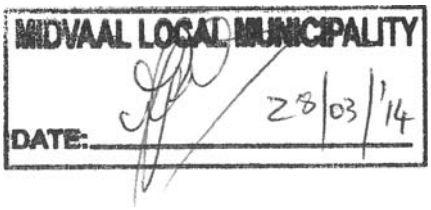


Table 19 Gross margins on trading services

The margin is split into 4 sections being:

1. Gross surplus as a % of sales – this margin only takes the direct sales revenue and direct purchase cost of the service into consideration and other revenue and expenditure sources are not considered. This is similar to the "mark-up", but not exactly the same. Mark up is calculated as the purchase price plus a percentage whilst the gross surplus margin is calculated as a percentage of sales.

2. Net surplus as a % of sales – this margin takes all revenue (excluding capital grants) and expenditure of the service into consideration and gives a broader view of the profitability of the service.

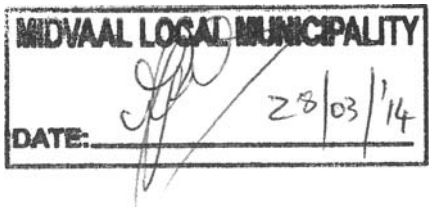
3. The last margin excludes the equitable share grant that funds the free basic services. This margin gives an indication of whether the service can still be rendered in a profitable manner if the equitable share grant is no longer available to the municipality. In a best case scenario this margin should also be positive, but due to the reliance of most municipalities on the equitable share grant to provide free basic services, it will often be negative (which means the free basic services are not funded by tariffs/cross-subsidisation, but by the equitable share grant).

4. A test is also performed as to whether the service is generating sufficient revenue to not only make an operating surplus, but to cover the full cost of the service, i.e. including capital cost.

5. It is important to note that offset depreciation is excluded from the figures shown below to reflect a true picture of the profitability of the service.

Electricity	Previous Yr 2012/2013 R	Org Budget 2013/2014 R	Adj Budget 2013/2014 R	Year to Date 2013/2014 R	Tabled Budget 2014/2015 R	Tabled Budget 2015/2016 R	Tabled Budget 2016/2017 R
Sales	211 706 667.28	242 148 036.00	242 148 036.00	155 315 819.20	265 614 463.00	284 207 474.00	304 101 998.00
Less Cost of Sales (Bulk Purchases)	155 477 813.64	172 800 000.00	172 800 000.00	119 248 951.70	190 462 234.00	205 699 213.00	222 155 150.00
Gross Surplus	56 228 853.64	69 348 036.00	69 348 036.00	36 066 867.50	75 152 229.00	78 508 261.00	81 946 848.00
Gross Surplus as a % of Sales	**26.56%**	**28.64%**	**28.64%**	**23.22%**	**28.29%**	**27.62%**	**26.95%**
Plus Other Income (excluding capital grants)	26 379 186.39	20 005 203.00	21 005 203.00	14 976 164.49	20 050 796.00	22 269 897.00	24 698 566.00
Less Other Expenditure	75 833 213.39	81 040 332.00	81 011 790.00	46 095 403.98	97 940 010.00	105 646 602.00	108 557 489.00
Nett Surplus	25 197 138.64	8 312 907.00	9 341 449.00	4 947 628.01	-2 736 985.00	-4 868 444.00	-1 912 075.00
Nett Surplus as a % of Sales	**11.90%**	**3.43%**	**3.86%**	**3.19%**	**-1.03%**	**-1.71%**	**-0.63%**
Capital Grants and Developer Contributions	18 422 312.00	7 000 000.00	9 000 000.00	10 166 783.84	4 550 000.00	15 500 000.00	20 500 000.00
Less Equitable Share	12 385 000.00	13 734 667.00	13 734 667.00	10 302 231.56	15 032 796.00	16 980 925.00	19 123 989.00
Nett Surplus (Excl Equitable Share)	-5 610 173.36	-5 421 760.00	-4 393 218.00	-5 354 603.55	-17 769 781.00	-21 849 369.00	-21 036 064.00
Nett Surplus as a % of Sales (Excl Eq Share	**-2.65%**	**-2.24%**	**-1.81%**	**-3.45%**	**-6.69%**	**-7.69%**	**-6.92%**
Does the service cover capital charges?							
Nett Surplus	25 197 138.64	8 312 907.00	9 341 449.00	4 947 628.01	-2 736 985.00	-4 868 444.00	-1 912 075.00
Less CRR Contribution	4 285 000.00	3 334 000.00	5 755 632.00	5 755 632.00	4 810 000.00	0.00	0.00
Less Loan Redemptions	1 372 177.66	1 659 501.00	1 659 501.00	997 813.64	3 332 300.00	3 236 939.00	2 954 462.00
Surplus of service after capital charges	19 539 960.98	3 319 406.00	1 926 316.00	-1 805 817.63	-10 879 285.00	-8 105 383.00	-4 866 537.00
Surplus as a % of Sales	**9.23%**	**1.37%**	**0.80%**	**-1.16%**	**-4.10%**	**-2.85%**	**-1.60%**

The profitability of the electricity service is under strain due to the increases to municipal customers being lower than the increase of the cost of bulk electricity. The net surplus as a percentage of sales is negative for the full MTREF period and engagements with NERSA will be critical to ensure ongoing financial viability of the municipality.



Water	Previous Yr 2012/2013 R	Budget 2013/2014 R	Adj Budget 2013/2014 R	Year to Date 2013/2014 R	Budget 2014/2015 R	Budget 2015/2016 R	Budget 2016/2017 R
Sales	117 828 548.76	125 328 603.00	128 328 603.00	87 570 004.00	145 574 282.00	155 344 481.00	165 756 595.00
Less Cost of Sales (Bulk Purchases)	70 181 848.58	77 000 000.00	80 000 000.00	50 363 655.90	88 209 600.00	95 266 368.00	102 887 677.00
Gross Surplus	47 646 710.18	48 328 603.00	48 328 603.00	37 206 348.10	57 364 682.00	60 078 113.00	62 868 918.00
Gross Surplus as a % of Sales	**40.44%**	**38.56%**	**37.66%**	**42.49%**	**39.41%**	**38.67%**	**37.93%**
Plus Other Income (excluding capital grants)	12 896 737.86	13 523 258.00	13 523 258.00	9 777 903.03	14 086 154.00	16 208 159.00	18 194 391.00
Less Other Expenditure	31 922 708.92	28 929 244.00	29 760 713.00	16 241 231.71	36 562 731.00	40 747 580.00	41 349 224.00
Nett Surplus	37 813 263.12	32 922 617.00	32 091 148.00	30 743 019.42	34 888 105.00	35 538 692.00	39 714 085.00
Nett Surplus as a % of Sales	**32.09%**	**26.27%**	**25.01%**	**35.11%**	**23.97%**	**22.88%**	**23.96%**
Capital Grants and Developer Contributions	9 192 524.00	500 000.00	500 000.00	516 396.40	5 300 000.00	13 300 000.00	19 500 000.00
Less Equitable Share	11 218 000.00	12 443 795.00	12 443 795.00	9 333 967.76	13 646 873.00	15 386 797.00	17 328 676.00
Nett Surplus (Excl Equitable Share)	17 402 739.12	20 478 822.00	19 647 353.00	21 409 051.66	21 241 232.00	20 151 895.00	22 385 409.00
Nett Surplus as a % of Sales (Excl Eq Share	**14.77%**	**16.34%**	**15.31%**	**24.45%**	**14.59%**	**12.97%**	**13.50%**
Does the service cover capital charges?							
Nett Surplus	37 813 263.12	32 922 617.00	32 091 148.00	30 743 019.42	34 888 105.00	35 538 692.00	39 714 085.00
Less CRR Contribution	3 280 100.00	1 800 000.00	1 800 000.00	1 637 000.00	1 730 000.00	1 200 000.00	1 200 000.00
Less Loan Redemptions	1 896 932.22	2 260 670.00	2 260 670.00	1 531 270.07	5 177 386.00	5 672 800.00	6 250 522.00
Surplus of service after capital charges	32 636 230.90	28 861 947.00	28 030 478.00	27 574 749.35	27 980 719.00	28 665 892.00	32 263 563.00
Surplus as a % of Sales	**27.70%**	**23.03%**	**21.84%**	**31.49%**	**19.22%**	**18.45%**	**19.46%**

The water service is the only service that is currently reflecting a net surplus position.

Refuse Collection	Previous Yr 2012/2013 R	Budget 2013/2014 R	Adj Budget 2013/2014 R	Year to Date 2013/2014 R	Budget 2014/2015 R	Budget 2015/2016 R	Budget 2016/2017 R
Sales	21 156 511.04	25 567 995.00	25 567 995.00	17 147 899.44	29 544 110.00	31 612 197.00	33 825 051.00
Plus Other Income (excluding capital grants)	74 604 173.40	13 032 174.00	13 032 174.00	9 467 372.73	14 044 882.00	15 256 806.00	16 933 253.00
Less Expenditure	68 751 648.35	34 375 324.00	34 939 368.00	22 207 274.62	47 700 460.00	50 741 053.00	53 070 890.00
Nett Surplus	44 909 036.09	4 224 845.00	3 660 801.00	4 407 997.55	-4 111 468.00	-3 872 050.00	-2 312 586.00
Nett Surplus as a % of Sales	**212.27%**	**16.52%**	**14.32%**	**25.71%**	**-13.92%**	**-12.25%**	**-6.84%**
Capital Grants and Developer Contributions	17 900 000.00	0.00	0.00	0.00	0.00	4 820 000.00	0.00
Less Equitable Share	17 834 100.00	9 550 270.00	9 550 270.00	7 163 622.78	10 472 662.00	11 807 886.00	13 298 091.00
Nett Surplus (Excl Equitable Share)	9 224 000.00	-5 325 425.00	-5 889 469.00	-2 755 625.23	-14 584 130.00	-15 679 936.00	-15 610 677.00
Nett Surplus as a % of Sales (Excl Eq Share	**43.37%**	**-20.83%**	**-23.03%**	**-16.07%**	**-49.36%**	**-49.60%**	**-46.15%**
Does the service cover capital charges?							
Nett Surplus	44 909 036.09	4 224 845.00	3 660 801.00	4 407 997.55	-4 111 468.00	-3 872 050.00	-2 312 586.00
Less CRR Contribution	1 930 000.00	310 000.00	310 000.00	299 836.00	250 000.00		
Less Loan Redemptions	-	-	-	0.00	2 190 776.00	1 255 994.00	510 082.00
Surplus of service after capital charges	42 979 036.09	3 914 845.00	3 350 801.00	4 108 161.55	-6 552 244.00	-5 128 044.00	-2 822 668.00
Surplus as a % of Sales	**203.15%**	**15.31%**	**13.11%**	**23.96%**	**-22.18%**	**-16.22%**	**-8.34%**

Sanitation is also provided at a tariff that is lower than the cost of the service. This will lead to ongoing challenges with the provision of additional capacity for new developments.

Sewer	Previous Yr 2012/2013 R	Budget 2013/2014 R	Adj Budget 2013/2014 R	Year to Date 2013/2014 R	Budget 2014/2015 R	Budget 2015/2016 R	Budget 2016/2017 R
Sales	24 318 753.18	26 277 004.00	26 277 004.00	17 931 165.74	30 335 647.00	32 459 141.00	34 731 281.00
Plus Other Income (excluding capital grants)	10 709 201.84	12 178 186.00	12 178 186.00	8 475 371.75	13 282 558.00	14 824 144.00	16 537 734.00
Less Expenditure	32 361 051.23	33 600 480.00	35 167 588.00	19 163 463.02	43 135 764.00	47 534 501.00	50 875 262.00
Nett Surplus	2 666 903.79	4 854 710.00	3 287 602.00	7 243 074.47	482 441.00	-251 216.00	393 753.00
Nett Surplus as a % of Sales	**10.97%**	**18.48%**	**12.51%**	**40.39%**	**1.59%**	**-0.77%**	**1.13%**
Capital Grants and Developer Contributions	64 427 242.66	69 300 000.00	10 300 000.00	16 241 231.71	12 000 000.00	200 000.00	5 000 000.00
Less Equitable Share	0.00	10 228 526.00	10 228 526.00	7 672 458.57	11 215 919.00	12 645 906.00	14 241 872.00
Nett Surplus (Excl Equitable Share)	2 666 903.79	-5 373 816.00	-6 940 924.00	-429 384.10	-10 733 478.00	-12 897 122.00	-13 848 119.00
Nett Surplus as a % of Sales (Excl Eq Share	**10.97%**	**-20.45%**	**-26.41%**	**-2.39%**	**-35.38%**	**-39.73%**	**-39.87%**
Does the service cover capital charges?							
Nett Surplus	2 666 903.79	4 854 710.00	3 287 602.00	7 243 074.47	482 441.00	-251 216.00	393 753.00
Less CRR Contribution	674 000.00	4 240 000.00	4 240 000.00	4 240 000.00	935 000.00		
Less Loan Redemptions	2 162 200.71	2 379 343.00	2 379 343.00	1 156 505.50	2 557 018.00	2 581 956.00	2 827 334.00
Surplus of service after capital charges	-169 296.92	-1 764 633.00	-3 331 741.00	1 846 568.97	-3 009 577.00	-2 833 172.00	-2 433 581.00
Surplus as a % of Sales	**-0.70%**	**-6.72%**	**-12.68%**	**10.30%**	**-9.92%**	**-8.73%**	**-7.01%**

The refuse collection service is breaking even in any of the MTREF years if the cost of capital is included.

As part of the long term a strategy must be compiled on how tariffs will be increased to ensure full cost reflectiveness or, alternative, if found to not be affordable, to reduce service levels.

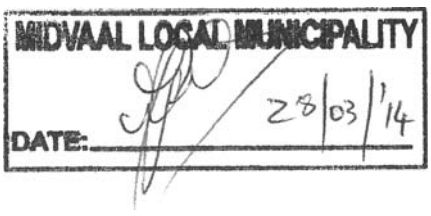
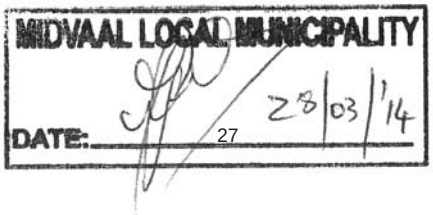


Table 20 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue By Source											
Property rates	2	71 589	90 133	94 353	118 112	108 978	108 978	70 980	130 588	142 521	167 345
Property rates - penalties & collection charges		–	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	2	154 826	185 503	214 118	242 148	242 148	242 148	155 316	277 788	311 794	360 390
Service charges - water revenue	2	86 666	100 153	117 586	125 329	128 329	128 329	87 570	148 112	161 067	181 887
Service charges - sanitation revenue	2	20 524	22 235	24 319	26 277	26 277	25 567	17 148	30 855	33 410	37 272
Service charges - refuse revenue	2	16 304	17 430	21 316	25 568	25 568	25 568	17 148	30 008	32 463	36 098
Service charges - other		–	–	12 304	–	–	–	–	6 162	6 495	6 845
Rental of facilities and equipment		–	–	–	–	–	–	–	1 300	1 370	1 444
Interest earned - external investments		775	1 157	2 037	1 800	2 800	2 800	2 244	2 000	2 108	2 222
Interest earned - outstanding debtors		6 820	7 688	7 120	7 200	5 200	5 200	3 088	4 000	4 216	4 444
Dividends received		–	–	–	–	–	–	–	–	–	–
Fines		10 440	10 440	7 020	9 000	14 000	14 000	9 290	14 523	15 307	16 134
Licences and permits		–	–	–	–	–	–	–	–	–	–
Agency services		–	–	–	–	–	–	–	–	–	–
Transfers recognised - operational		196 271	64 655	58 926	71 284	62 287	62 997	80 307	77 119	82 502	96 905
Other revenue	2	24 502	20 031	73 460	32 957	34 811	34 811	19 637	21 700	27 159	28 060
Gains on disposal of PPE		714	106	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		589 431	519 529	632 559	659 674	650 398	650 398	462 728	744 155	820 412	939 046
Expenditure By Type											
Employee related costs	2	121 812	136 694	151 170	166 732	164 904	164 904	103 168	185 039	201 856	223 632
Remuneration of councillors		5 233	7 430	7 875	9 708	9 377	9 377	5 853	9 052	9 631	10 248
Debt impairment	3	24 802	22 990	27 323	27 060	25 060	25 060	15 785	27 180	34 596	63 405
Depreciation & asset impairment	2	112 453	77 423	110 580	117 353	117 353	117 353	68 456	131 700	151 873	143 545
Finance charges		16 128	14 867	15 293	22 128	22 128	22 128	8 637	18 806	17 071	14 888
Bulk purchases	2	157 136	199 878	225 660	249 800	252 800	252 800	169 613	283 739	312 674	357 432
Other materials	8	–	–	–	–	–	–	–	–	–	–
Contracted services		43 840	45 058	48 879	60 120	57 668	57 668	30 481	55 715	59 484	64 243
Transfers and grants		–	–	–	–	–	–	–	15 426	19 071	23 950
Other expenditure	4, 5	68 798	68 424	66 811	90 883	91 854	91 854	50 983	102 908	111 644	126 064
Loss on disposal of PPE		–	–	–	–	–	–	–	–	–	–
Total Expenditure		550 202	572 765	653 590	743 784	741 144	741 144	452 975	829 564	917 899	1 027 407
Surplus/(Deficit)		39 229	(53 235)	(21 031)	(84 109)	(90 747)	(90 747)	9 753	(85 409)	(97 487)	(88 361)
Transfers recognised - capital		18 536	33 200	32 006	84 316	36 314	36 314	36 314	31 236	40 000	41 158
Contributions recognised - capital	6								2 200	11 519	1 830
Contributed assets		–	–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		57 765	(20 035)	10 975	207	(54 433)	(54 433)	46 066	(51 973)	(45 968)	(45 373)
Taxation		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation		57 765	(20 035)	10 975	207	(54 433)	(54 433)	46 066	(51 973)	(45 968)	(45 373)
Attributable to minorities		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		57 765	(20 035)	10 975	207	(54 433)	(54 433)	46 066	(51 973)	(45 968)	(45 373)
Share of surplus/ (deficit) of associate	7	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year		57 765	(20 035)	10 975	207	(54 433)	(54 433)	46 066	(51 973)	(45 968)	(45 373)

Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)

1. Total revenue is R777.6 million in 2014/15 and escalates to R982 million by 2016/17. This represents a year-on-year increase of 12.93 % for the 2014/15 financial year.
2. The following graphs illustrates the major expenditure and revenue items per type.



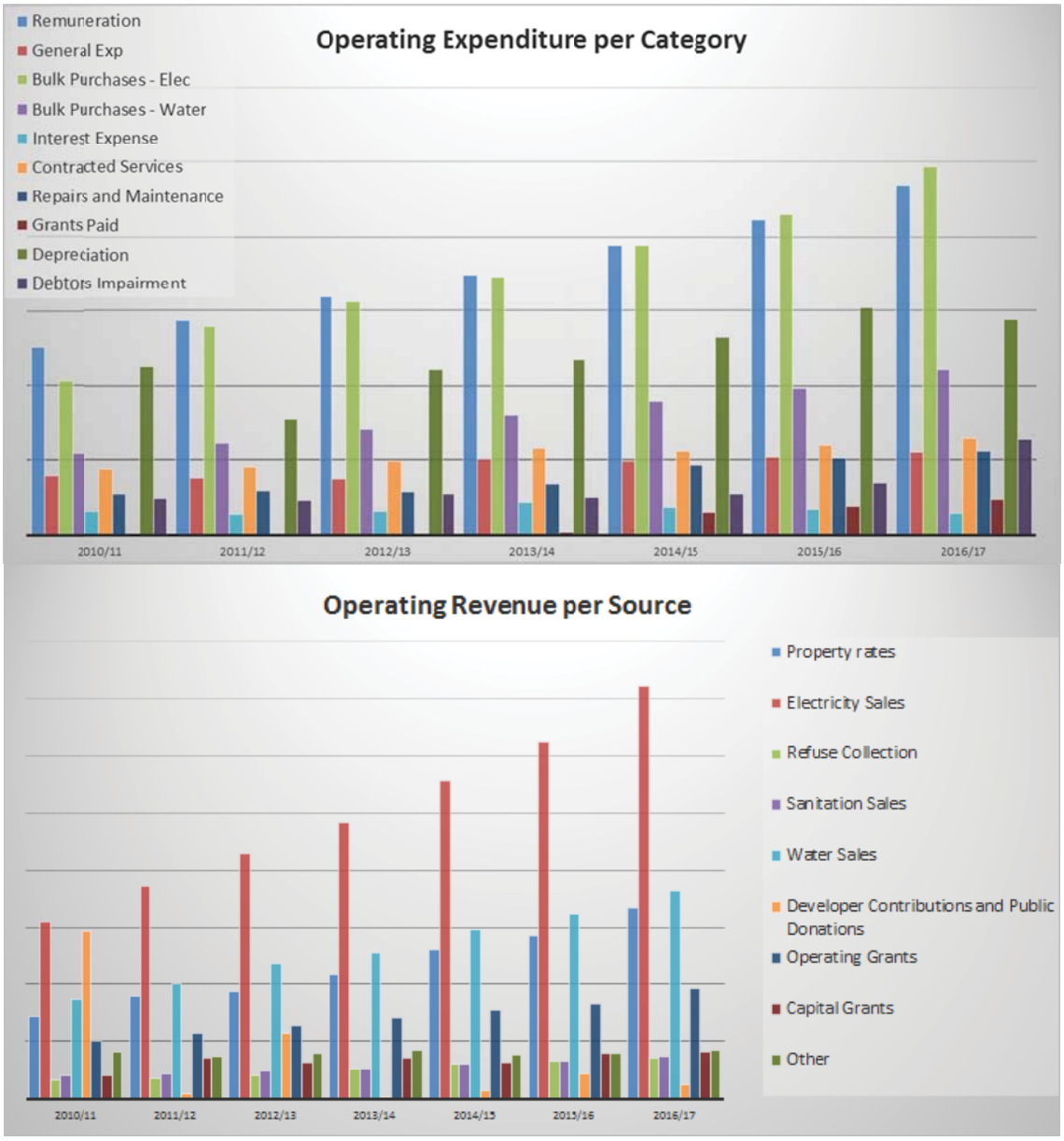
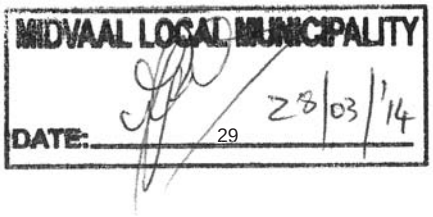


Figure 3 Expenditure and Revenue by major type

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Table 21 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

Vote Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Capital expenditure - Vote											
Multi-year expenditure *to be appropriated*	2										
Vote 1 - executive council		–	–	–	–	–	–	–	6 746	20 250	3 069
Vote 2 - corporate services		–	–	–	–	–	–	–	753	1 300	1 300
Vote 3 - financial services		–	–	–	–	–	–	–	140	50	50
Vote 4 - development & planning		–	–	–	–	–	–	–	125	650	800
Vote 5 - health		–	–	–	–	–	–	–	–	–	–
Vote 6 - community & social services		–	–	1 623	6 400	6 200	6 200	–	400	8 000	3 000
Vote 7 - public safety		4 949	2 601	2 261	1 987	1 351	1 351	–	2 106	8 350	1 350
Vote 8 - sport & recreation		10 719	1 997	225	4 159	4 634	4 634	–	6 020	4 500	2 500
Vote 9 - environmental protection		–	–	–	–	–	–	–	–	–	–
Vote 10 - waste water management		41 436	9 157	42 161	64 540	14 519	14 519	–	12 840	200	5 000
Vote 11 - solid waste management		5 495	4 814	1 924	1 810	3 250	3 250	–	2 050	4 820	–
Vote 12 - roads & transport		43 204	11 659	14 455	23 026	22 338	22 338	–	12 336	760	4 788
Vote 13 - water services		37 702	936	10 951	7 800	7 437	7 437	–	16 430	19 500	20 700
Vote 14 - electricty		27 315	7 042	20 431	29 084	23 190	23 190	–	19 260	15 500	20 500
Vote 15 - engineering admin		9 207	476	1 014	12 000	10 700	10 700	–	1 420	11 000	3 000
Capital multi-year expenditure sub-total	7	180 027	38 682	95 044	150 806	93 620	93 620	–	80 626	94 880	66 057
Single-year expenditure *to be appropriated*	2										
Vote 1 - executive council		–	476	18	300	660	660	–			
Vote 2 - corporate services		515	1 093	1 494	1 006	2 212	2 212	–	520		
Vote 3 - financial services		115	–	31	118	196	196	–			
Vote 4 - development & planning		28	170	–	38	36	36	–			
Vote 5 - health		–	–	–	–	–	–	–			
Vote 6 - community & social services		1 978	2 036	1 542	200	183	183	–	2 500		
Vote 7 - public safety		–	–	–	–	–	–	–			
Vote 8 - sport & recreation		–	–	–	–	–	–	–	1 804		
Vote 9 - environmental protection		116	–	–	–	–	–	–			
Vote 10 - waste water management		–	–	–	–	–	–	–	500		
Vote 11 - solid waste management		–	–	–	–	–	–	–			
Vote 12 - roads & transport		–	–	–	–	–	–	–	47		
Vote 13 - water services		–	–	–	–	–	–	–			
Vote 14 - electricty		–	–	–	–	–	–	–			
Vote 15 - engineering admin		–	–	–	–	–	–	–			
Capital single-year expenditure sub-total		2 751	3 775	3 085	1 662	3 288	3 288	–	5 371	–	–
Total Capital Expenditure - Vote		182 779	42 457	98 130	152 467	96 907	96 907	–	85 997	94 880	66 057
Capital Expenditure - Standard											
Governance and administration		631	1 569	1 544	1 424	3 068	3 068	–	8 184	21 600	4 419
Executive and council			476	18	300	660	660		6 746	20 250	3 069
Budget and treasury office		141	16	436	148	359	359		413	670	670
Corporate services		489	1 077	1 089	976	2 049	2 049		1 025	680	680
Community and public safety		17 646	6 634	5 651	12 746	12 368	12 368	–	12 830	20 850	6 850
Community and social services		1 978	2 036	3 165	6 600	6 383	6 383		3 000	8 000	3 000
Sport and recreation		10 719	1 997	225	4 159	4 634	4 634		7 724	4 500	2 500
Public safety		4 949	2 601	2 261	1 987	1 351	1 351		2 106	8 350	1 350
Housing											
Health											
Economic and environmental services		43 348	11 829	14 455	23 063	22 374	22 374	–	12 508	1 410	5 588
Planning and development		28	170		38	36	36		125	650	800
Road transport		43 204	11 659	14 455	23 026	22 338	22 338		12 383	760	4 788
Environmental protection		116									
Trading services		121 155	22 425	76 481	115 234	59 097	59 097	–	52 475	51 020	49 200
Electricity		36 522	7 518	21 445	41 084	33 890	33 890		20 680	26 500	23 500
Water		37 702	936	10 951	7 800	7 437	7 437		16 430	19 500	20 700
Waste water management		41 436	9 157	42 161	64 540	14 519	14 519		13 315	200	5 000
Waste management		5 495	4 814	1 924	1 810	3 250	3 250		2 050	4 820	–
Other											
Total Capital Expenditure - Standard	3	182 779	42 457	98 130	152 467	96 907	96 907	–	85 997	94 880	66 057
Funded by:											
National Government		24 009	21 253	24 500	27 158	27 158	27 158		28 686	29 880	31 038
Provincial Government		77	1 693	962	100	100	100		1 450	–	–
District Municipality											
Other transfers and grants		29 802	8 240	3 539	57 058	9 036	9 036		4 300	12 120	12 120
Transfers recognised - capital	4	53 888	31 186	29 001	84 316	36 294	36 294	–	34 436	42 000	43 158
Public contributions & donations	5	102 851	3 837	55 714	10 000	1 500	1 500		8 550	9 800	10 000
Borrowing	6	13 293	1 931	3 112	45 440	43 046	43 046		24 400	18 000	5 000
Internally generated funds		12 747	5 503	10 303	12 711	16 068	16 068		18 611	25 080	7 899
Total Capital Funding	7	182 779	42 457	98 130	152 467	96 907	96 907	–	85 997	94 880	66 057



Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. In relation to multi-year appropriations, for 2014/15 R80.6 million has been allocated of the total R85.99 million capital budget, which totals 93.7 %.
3. Single-year capital expenditure has been appropriated at R5.4 million for the 2014/15 financial year.
4. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the municipality.
5. The capital programme is funded from capital and provincial grants and transfers, public contributions and donations, borrowing and internally generated funds from current year surpluses.

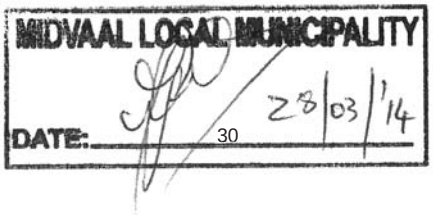
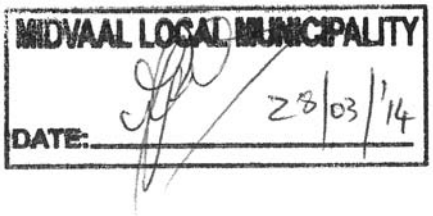


Table 22 MBRR Table A6 - Budgeted Financial Position

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
ASSETS											
Current assets											
Cash		4 711	5 350	40 484	22 600	44 884	55 061	12 399	31 509	29 014	47 616
Call investment deposits	1	–	–	–	–	–	–	96 973	–	–	–
Consumer debtors	1	72 051	93 460	95 151	81 123	100 480	100 480	93 133	106 107	111 836	117 875
Other debtors		8 544	6 112	6 426	18 825	6 786	6 786	543	7 166	7 553	7 960
Current portion of long-term receivables		6 112	5 601	5 938	7 009	6 270	6 270	999	6 621	6 979	7 356
Inventory	2	5 798	7 495	6 499	8 421	6 889	6 889	6 425	7 275	7 668	8 082
Total current assets		97 216	118 018	154 498	137 978	165 308	175 486	210 472	158 677	163 049	188 890
Non current assets											
Long-term receivables		–	–	–	–	–	–	–	–	–	–
Investments		–	–	–	–	–	–	–	–	–	–
Investment property		30 513	52 892	52 892	30 513	52 892	52 892	52 892	52 892	52 892	52 892
Investment in Associate		–	–	–	–	–	–	–	–	–	–
Property, plant and equipment	3	2 066 639	2 091 290	2 089 699	2 075 942	2 069 254	2 069 254	2 048 590	2 023 551	1 966 557	1 889 069
Agricultural		–	–	–	–	–	–	–	–	–	–
Biological		–	–	–	–	–	–	–	–	–	–
Intangible		–	3	2	–	2	2	2	2	2	2
Other non-current assets		–	–	0	–	0	0	0	0	0	0
Total non current assets		2 097 152	2 144 185	2 142 593	2 106 455	2 122 148	2 122 148	2 101 484	2 076 445	2 019 451	1 941 963
TOTAL ASSETS		2 194 368	2 262 203	2 297 091	2 244 433	2 287 456	2 297 634	2 311 956	2 235 122	2 182 501	2 130 853
LIABILITIES											
Current liabilities											
Bank overdraft	1	–	–	–	–	–	–		–	–	–
Borrowing	4	10 222	9 837	11 802	10 087	10 087	–	11 802	–	–	–
Consumer deposits		8 067	8 893	9 804	9 917	10 353	10 353	10 091	10 933	11 524	12 146
Trade and other payables	4	83 364	93 015	82 767	89 546	87 690	117 731	151 226	94 831	99 952	105 349
Provisions		–	–	–	–	–	–	–	–	–	–
Total current liabilities		101 653	111 745	104 373	109 550	108 131	128 084	173 120	105 764	111 475	117 495
Non current liabilities											
Borrowing		125 105	117 318	127 065	166 205	166 205	198 959	158 578	183 328	168 190	152 974
Provisions		20 718	56 204	77 741	25 930	48 641	48 641	77 741	51 365	54 139	57 062
Total non current liabilities		145 823	173 522	204 806	192 135	214 846	247 600	236 318	234 693	222 329	210 037
TOTAL LIABILITIES		247 476	285 266	309 180	301 685	322 977	375 684	409 438	340 457	333 804	327 532
NET ASSETS	5	1 946 891	1 976 937	1 987 912	1 942 748	1 964 480	1 921 949	1 902 517	1 894 665	1 848 696	1 803 321
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		1 946 891	1 976 937	1 987 912	1 942 748	1 964 480	1 921 949	1 902 517	1 894 665	1 848 696	1 803 321
Reserves	4	–	–	–	–	–	–	–	–	–	–
Minorities' interests		–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	5	1 946 891	1 976 937	1 987 912	1 942 748	1 964 480	1 921 949	1 902 517	1 894 665	1 848 696	1 803 321

Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as "accounting" Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. Table 66 is supported by an extensive table of notes (SA3) providing a detailed analysis of the major components of a number of items, including:
 - Call investments deposits;
 - Consumer debtors;
 - Property, plant and equipment;
 - Trade and other payables;
 - Provisions non current;
 - Changes in net assets; and
 - Reserves
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.



5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption will inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

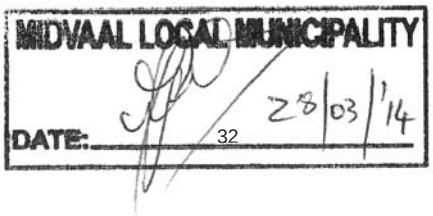


Table 23 MBRR Table A7 - Budgeted Cash Flow Statement

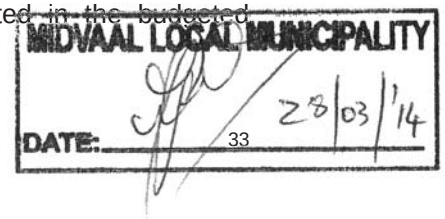
Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Ratepayers and other		365 481	411 146	481 855	549 312	540 707	540 707	373 650	625 578	696 375	755 320
Government - operating	1	50 411	56 818	64 200	71 285	71 287	71 287	50 849	77 119	82 502	96 905
Government - capital	1	21 034	35 800	32 006	84 316	36 314	36 314	26 571	31 236	40 000	41 158
Interest		775	1 157	2 037	1 800	2 800	2 800	2 244	2 000	2 108	2 222
Dividends		–	–	–	–	–	–	–	–	–	–
Payments											
Suppliers and employees		(384 382)	(440 276)	(487 283)	(566 216)	(565 110)	(565 110)	(379 955)	(642 482)	(697 690)	(782 342)
Finance charges		(16 125)	(13 988)	(16 120)	(22 116)	(22 116)	(22 116)	(8 637)	(18 806)	(17 071)	(14 888)
Transfers and Grants	1										
NET CASH FROM/(USED) OPERATING ACTIVITIES		37 195	50 658	76 695	118 381	63 882	63 882	64 722	74 645	106 224	98 375
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		857	610	–	–	–	–	–	–	–	–
Decrease (Increase) in non-current debtors		–	–	–	–	–	–	–	–	–	–
Decrease (increase) other non-current receivables		–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–	–	–	–
Payments											
Capital assets		(40 959)	(42 457)	(53 274)	(152 467)	(96 907)	(96 907)	(27 346)	(84 797)	(93 580)	(64 557)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(40 102)	(41 847)	(53 274)	(152 467)	(96 907)	(96 907)	(27 346)	(84 797)	(93 580)	(64 557)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans											
Borrowing long term/refinancing		10 298	369	21 584	46 071	47 164	47 164	37 304	6 470	5 000	5 000
Increase (decrease) in consumer deposits											
Payments											
Repayment of borrowing		(3 863)	(8 541)	(9 871)	(9 739)	(9 739)	(9 739)	(5 792)	(19 871)	(20 138)	(20 216)
NET CASH FROM/(USED) FINANCING ACTIVITIES		6 434	(8 172)	11 713	36 332	37 425	37 425	31 512	(13 401)	(15 138)	(15 216)
NET INCREASE/ (DECREASE) IN CASH HELD		3 527	639	35 134	2 246	4 399	4 399	68 888	(23 553)	(2 495)	18 602
Cash/cash equivalents at the year begin:	2	1 184	4 711	5 350	20 354	40 484	40 484	40 484	55 061	31 509	29 014
Cash/cash equivalents at the year end:	2	4 711	5 350	40 484	22 600	44 884	44 884	109 372	31 509	29 014	47 616

Table 24 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Cash and investments available											
Cash/cash equivalents at the year end	1	4 711	5 350	40 484	22 600	44 884	44 884	109 372	31 509	29 014	47 616
Other current investments > 90 days		0	(0)	(0)	–	0	10 178	(0)	–	(0)	(0)
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		4 711	5 350	40 484	22 600	44 884	55 061	109 372	31 509	29 014	47 616
Application of cash and investments											
Unspent conditional transfers		4 246	–	–	–	–	24 688	–	–	–	–
Unspent borrowing		6 195	6 195	6 195	–	8 800	26 000		12 549	–	–
Statutory requirements	2	3 641	4 467	15 741	5 491	14 816	(8 872)	82 167	11 555	12 313	13 112
Other working capital requirements	3	3 914	(6 103)	(13 564)	(4 050)	(22 702)	(17 469)	(33 885)	(23 654)	(25 617)	(21 069)
Other provisions		(8 900)	(11 768)	(18 660)	(10 152)	(11 038)	(10 918)	(24 455)	(9 746)	(9 586)	(16 035)
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	15 538	49 331	67 409	19 448	37 731	37 731	67 409	39 834	41 985	44 252
Total Application of cash and investments:		24 633	42 123	57 121	10 736	27 607	51 159	91 235	30 538	19 095	20 260
Surplus(shortfall)		(19 922)	(36 772)	(16 637)	11 864	17 277	3 902	18 137	970	9 919	27 356

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. The reduction in the cash in the 2014/2015 is resulting from the repayment of the Eskom back-billing received and approved during November 2014. In addition, the full R80m Standard Bank loan will be taken up by end May 2014 and utilized during the MTREF resulting in cash reductions on unspent loan funding as reflected in the budgeted financial statements.



4. Cash and cash equivalents will recover to R47 million by the end of the 2016/17 financial year.

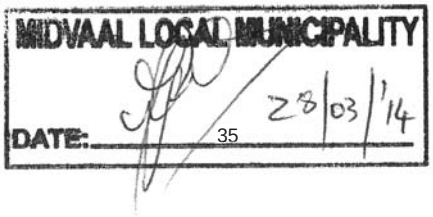
Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. From the table it can be seen that the budget is funded over the MTREF period.

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Table 25 MBRR Table A9 - Asset Management

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
CAPITAL EXPENDITURE										
Total New Assets	1	133 471	28 753	70 480	59 228	61 113	61 113	52 247	62 930	42 877
Infrastructure - Road transport		42 027	11 160	12 312	9 158	9 908	9 908	7 516	760	4 788
Infrastructure - Electricity		23 547	6 513	18 219	22 984	10 289	10 289	15 070	15 500	12 000
Infrastructure - Water		5 364	244	9 335	6 800	6 150	6 150	8 600	17 000	18 000
Infrastructure - Sanitation		36 725	29	22 442	1 540	12 250	12 250	340	–	–
Infrastructure - Other		–	1 445	–	3 000	602	602	2 470	–	2 000
Infrastructure		*107 663*	*19 391*	*62 308*	*43 482*	*39 199*	*39 199*	*33 996*	*33 260*	*36 788*
Community		1 670	2 111	675	7 300	8 650	8 650	1 550	5 000	–
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other assets	6	24 138	7 252	7 497	8 446	13 264	13 264	16 676	24 670	6 089
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		–	–	–	–	–	–	25	–	–
Total Renewal of Existing Assets	2	49 308	13 703	27 650	93 239	35 794	35 794	33 750	31 950	23 180
Infrastructure - Road transport		1 177	–	1 754	13 500	10 746	10 746	4 000	–	–
Infrastructure - Electricity		1 029	–	959	6 100	10 650	10 650	1 350	–	8 500
Infrastructure - Water		32 338	528	1 615	1 000	1 287	1 287	6 450	1 200	1 200
Infrastructure - Sanitation		3 740	8 643	19 499	63 000	1 029	1 029	12 500	200	5 000
Infrastructure - Other		968	1 659	979	2 060	–	–	–	4 820	–
Infrastructure		*39 252*	*10 830*	*24 807*	*85 660*	*23 711*	*23 711*	*24 300*	*6 220*	*14 700*
Community		–	476	1 623	7 500	750	750	6 934	11 500	2 500
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other assets	6	10 056	2 398	824	79	11 333	11 333	2 516	14 230	5 980
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		–	–	396	–	–	–	–	–	–
Total Capital Expenditure	4									
Infrastructure - Road transport		43 204	11 160	14 066	22 658	20 654	20 654	11 516	760	4 788
Infrastructure - Electricity		24 576	6 513	19 179	29 084	20 939	20 939	16 420	15 500	20 500
Infrastructure - Water		37 702	772	10 951	7 800	7 437	7 437	15 050	18 200	19 200
Infrastructure - Sanitation		40 464	8 672	41 940	64 540	13 279	13 279	12 840	200	5 000
Infrastructure - Other		968	3 104	979	5 060	602	602	2 470	4 820	2 000
Infrastructure		*146 915*	*30 221*	*87 115*	*129 142*	*62 910*	*62 910*	*58 296*	*39 480*	*51 488*
Community		1 670	2 586	2 298	14 800	9 400	9 400	8 484	16 500	2 500
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other assets		34 194	9 650	8 321	8 525	24 597	24 597	19 192	38 900	12 069
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		–	–	396	–	–	–	25	–	–
TOTAL CAPITAL EXPENDITURE - Asset class	2	182 779	42 457	98 130	152 467	96 907	96 907	85 997	94 880	66 057
ASSET REGISTER SUMMARY - PPE (WDV)	5									
Infrastructure - Road transport		656 435	644 024	627 249	649 907	647 903	647 903	659 419	660 179	664 967
Infrastructure - Electricity		801 756	776 615	742 900	605 760	521 164	602 636	405 909	656 705	669 917
Infrastructure - Water		187 344	182 996	196 945	204 745	212 182	212 182	227 232	244 232	263 432
Infrastructure - Sanitation		264 508	268 375	295 312	359 852	373 130	373 130	385 970	200	5 200
Infrastructure - Other		50 842	114 490	115 202	120 262	120 864	39 392	123 334	128 154	130 154
Infrastructure		*1 960 885*	*1 986 500*	*1 977 607*	*1 940 525*	*1 875 243*	*1 875 243*	*1 801 864*	*1 689 470*	*1 733 670*
Community		81 374	79 460	85 666	100 466	109 866	109 866	118 350	134 850	137 350
Heritage assets										
Investment properties		30 513	52 892	52 892	30 513	52 892	52 892	52 892	52 892	52 892
Other assets		24 380	25 331	26 426	34 951	84 145	84 145	103 337	142 237	18 049
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		–	3	2	–	2	2	2	2	2
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	2 097 152	2 144 185	2 142 593	2 106 455	2 122 148	2 122 148	2 076 445	2 019 451	1 941 963
EXPENDITURE OTHER ITEMS										
Depreciation & asset impairment		112 453	77 423	110 580	117 353	117 353	117 353	131 700	151 873	143 545
Repairs and Maintenance by Asset Class	3	27 427	29 225	28 676	32 934	34 073	34 073	46 645	50 819	55 431
Infrastructure - Road transport		13 779	20 107	17 354	18 295	18 295	18 295	27 257	29 508	32 159
Infrastructure - Electricity		–	3 873	3 272	3 026	3 526	3 526	240	269	301
Infrastructure - Water		8 379	–	1 038	1 488	1 488	1 488	1	1	1
Infrastructure - Sanitation		714	454	2 637	2 159	2 559	2 559	2 616	2 757	2 906
Infrastructure - Other		7	–	(379)	70	50	50	2 382	2 510	2 646
Infrastructure		*22 879*	*24 435*	*23 922*	*25 038*	*25 918*	*25 918*	*32 496*	*35 046*	*38 014*
Community		943	1 331	–	–	–	–	–	–	–
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other assets	6, 7	3 605	3 459	4 754	7 896	8 155	8 155	14 150	15 773	17 417
TOTAL EXPENDITURE OTHER ITEMS		139 880	106 649	139 255	150 287	151 426	151 426	178 345	202 692	198 976
Renewal of Existing Assets as % of total capex		*27.0%*	*32.3%*	*28.2%*	*61.2%*	*36.9%*	*36.9%*	*39.2%*	*33.7%*	*35.1%*
Renewal of Existing Assets as % of deprecn"		*43.8%*	*17.7%*	*25.0%*	*79.5%*	*30.5%*	*30.5%*	*25.6%*	*21.0%*	*16.1%*
R&M as a % of PPE		*1.3%*	*1.4%*	*1.4%*	*1.6%*	*1.6%*	*1.6%*	*2.3%*	*2.6%*	*2.9%*
Renewal and R&M as a % of PPE		*4.0%*	*2.0%*	*3.0%*	*6.0%*	*3.0%*	*3.0%*	*4.0%*	*4.0%*	*4.0%*



Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. National Treasury has recommended that municipalities should allocate at least 40 % of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 % of PPE.
3. The following graph provides an analysis between depreciation and operational repairs and maintenance over the MTREF. It highlights the Municipality's strategy to address the maintenance backlog.

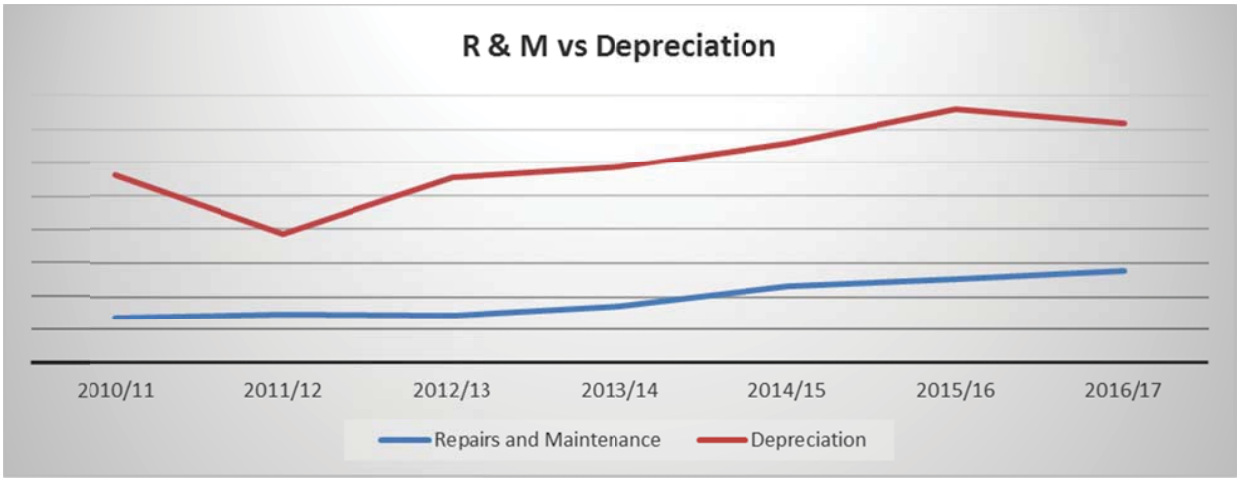


Figure 4 Depreciation in relation to repairs and maintenance over the MTREF

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Table 26 MBRR Table A10 - Basic Service Delivery Measurement

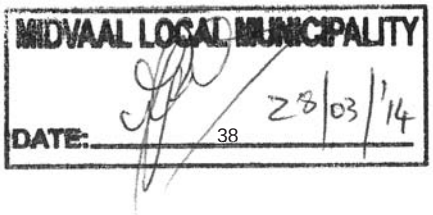
Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Household service targets									
Water:									
Piped water inside dwelling	19 461	19 461	19 461	19 461	19 461	19 461	19 850	20 247	20 652
Piped water inside yard (but not in dwelling)	5 376	5 376	5 376	5 376	5 376	5 376	5 484	5 593	5 705
Using public tap (at least min.service level)	1 467	1 467	1 467	1 467	1 467	1 467	1 496	1 526	1 557
Minimum Service Level and Above sub-total	26 304	26 304	26 304	26 304	26 304	26 304	26 830	27 366	27 914
Using public tap (< min.service level)	2 394	2 394	2 394	2 394	2 394	2 394	2 442	2 491	2 541
No water supply	1 266	1 266	1 266	1 266	1 266	1 266	1 291	1 317	1 343
Below Minimum Service Level sub-total	3 660	3 660	3 660	3 660	3 660	3 660	3 733	3 808	3 884
Total number of households	29 964	29 964	29 964	29 964	29 964	29 964	30 563	31 174	31 798
Sanitation/sewerage:									
Flush toilet (connected to sewerage)	17 370	17 370	17 370	17 370	17 370	17 370	17 717	18 072	18 433
Flush toilet (with septic tank)	5 505	5 505	5 505	5 505	5 505	5 505	5 615	5 727	5 842
Chemical toilet	1 842	1 842	1 842	1 842	1 842	1 842	1 879	1 916	1 955
Pit toilet (ventilated)	477	477	477	477	477	477	487	496	506
Other toilet provisions (> min.service level)	3 519	3 519	3 519	3 519	3 519	3 519	3 589	3 661	3 734
Minimum Service Level and Above sub-total	28 713	28 713	28 713	28 713	28 713	28 713	29 287	29 872	30 470
Other toilet provisions (< min.service level)	645	645	645	645	645	645	658	671	684
No toilet provisions	606	606	606	606	606	606	618	630	643
Below Minimum Service Level sub-total	1 251	1 251	1 251	1 251	1 251	1 251	1 276	1 301	1 327
Total number of households	29 964	29 964	29 964	29 964	29 964	29 964	30 563	31 173	31 797
Energy:									
Electricity (at least min.service level)	15 906	15 906	15 906	15 906	15 906	15 906	16 224	16 549	16 880
Electricity - prepaid (min.service level)	7 500	7 500	7 500	7 500	7 500	7 500	7 650	7 803	7 959
Minimum Service Level and Above sub-total	23 406	23 406	23 406	23 406	23 406	23 406	23 874	24 352	24 839
Electricity - prepaid (< min. service level)	363	363	363	363	363	363	370	378	385
Other energy sources	6 195	6 195	6 195	6 195	6 195	6 195	6 319	6 445	6 574
Below Minimum Service Level sub-total	6 558	6 558	6 558	6 558	6 558	6 558	6 689	6 823	6 959
Total number of households	29 964	29 964	29 964	29 964	29 964	29 964	30 563	31 175	31 798
Refuse:									
Removed at least once a week	24 594	24 594	24 594	24 594	24 594	24 594	25 086	25 588	26 099
Minimum Service Level and Above sub-total	24 594	24 594	24 594	24 594	24 594	24 594	25 086	25 588	26 099
Removed less frequently than once a week	303	303	303	303	303	303	309	315	322
Using communal refuse dump	579	579	579	579	579	579	591	602	614
Using own refuse dump	3 177	3 177	3 177	3 177	3 177	3 177	3 241	3 305	3 371
Other rubbish disposal	363	363	363	363	363	363	370	378	385
No rubbish disposal	948	948	948	948	948	948	967	986	1 006
Below Minimum Service Level sub-total	5 370	5 370	5 370	5 370	5 370	5 370	5 478	5 586	5 698
Total number of households	29 964	29 964	29 964	29 964	29 964	29 964	30 564	31 174	31 797
Households receiving Free Basic Service									
Water (6 kilolitres per household per month)	12 644	12 644	12 644	12 644	12 644	12 644	12 897	13 155	13 418
Sanitation (free minimum level service)	1 038	1 038	1 038	1 038	1 038	1 038	1 059	1 080	1 102
Electricity/other energy (50kwh per household pe	363	363	363	363	363	363	370	378	385
Refuse (removed at least once a week)	1 038	1 038	1 038	1 038	1 038	1 038	1 059	1 080	1 102
Cost of Free Basic Services provided (R'000)									
Water (6 kilolitres per household per month)	3 657	4 063	4 515	5 016	5 016	5 016	5 534	6 033	6 589
Sanitation (free sanitation service)	1 117	1 241	1 379	1 532	1 532	1 532	1 715	1 931	2 102
Electricity/other energy (50kwh per household pe	123	137	152	169	169	169	187	204	223
Refuse (removed once a week)	454	504	561	623	623	623	699	765	833
Total cost of FBS provided (minimum social p	5 351	5 945	6 607	7 340	7 340	7 340	8 135	8 933	9 747
Highest level of free service provided									
Property rates (R value threshold)	75	75	75	75	75	75	150	150	150
Water (kilolitres per household per month)	6	6	6	6	6	6	6	6	6
Sanitation (Rand per household per month)	100	110	123	137	137	137	150	161	172
Electricity (kwh per household per month)	50	50	50	50	50	50	50	50	50
Refuse (average litres per week)	80	80	80	80	80	80	80	80	80
Revenue cost of free services provided (R'000)									
Property rates (R15 000 threshold rebate)	2 476	2 751	3 057	3 397	3 397	3 397	35 295	40 643	51 244
Property rates (other exemptions, reductions and rebates)	33 974	37 749	41 943	46 603	55 737	55 737	42 675	50 284	64 359
Water	13 273	14 748	16 387	18 207	18 207	18 207	14 804	16 762	20 036
Sanitation	1 240	1 378	1 531	1 701	1 701	1 701	682	730	781
Electricity/other energy	388	431	479	532	532	532	1 100	1 177	1 259
Refuse	563	626	695	772	772	772	850	910	973
Total revenue cost of free services provided (total social package)	51 914	57 683	64 092	71 212	80 346	80 346	95 406	110 506	138 652

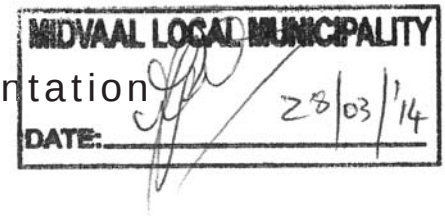
Explanatory notes to Table A10 - Basic Service Delivery Measurement

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
2. The Municipality continues to make good progress with the eradication of backlogs.

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3. The budget provides households registered as indigent in 2014/15, and therefore entitled to receiving Free Basic Services. The number is set to increase given the rapid rate of in-migration to the municipality, especially by poor people seeking economic opportunities related to the Savanna City development.
4. The cost of Free Basic Services will be covered by the municipality's equitable share allocation from national government.





Part 2 – Supporting Documentation

2.1 Overview of the annual budget process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the MMC for Finance.

The primary aims of the Budget Steering Committee is to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the Municipality's IDP and the budget, taking into account the need to protect the financial sustainability of the municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

2.1.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2010) a time schedule that sets out the process to revise the IDP and prepare the budget.

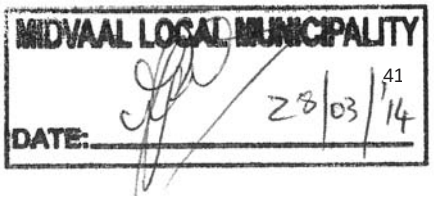
The Mayor tabled in Council the required the IDP and budget time schedule on 29 August 2013. Key dates applicable to the process were:

Proposed Date	Activity
30 July 2013	Budget Steering Committee to review comments received from NT and PT regarding the 2013/2014 budget process Completed by Budget Steering Committee 8 October 2013.
29 August 2013	Approval of Key Deadlines as required by Section 21 of the MFMA as well as the IDP Process Plan as required by the Municipal Systems Act Completed by Mayoral Committee, 20 August 2013 and Council 29 August 2013.
29 August 2013	Carry over adjustments budget for the 2013/2014 financial year Completed by Mayoral Committee, 20 August 2013 and Council 29 August 2013.

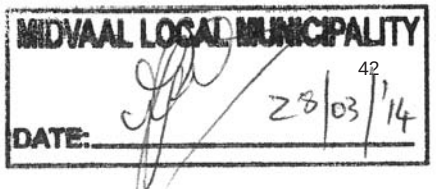
Proposed Date	Activity
29 August 2013	Final Virements for 2012/2013 Completed by Mayoral Committee, 20 August 2013 and 29 August 2013.
10 September 2013	Budget Steering Committee to set priorities for the 2014/2015 Budget Discussed at Mayoral Committee and HOD Strat Session, Zebula Lodge, 3 – 5 September 2013 – ongoing via IDP "through the gate" process.
17 September 2013	Budget circular to be issued to Heads of Department for guidance on preparation of draft budgets Draft Medium term budget policy sent to HOD's September 2014. Detailed Capital Budget input files sent on 1 October 2013 and detailed Operating Budget input files on 11 November 2013.
31 October 2013	Departmental Compilation of Draft Capital Budget for 2014/2015: - Compilation of project plans (including outputs and outcomes to be achieved) - Motivations for new projects - Analysis of impact on operating budget Departmental capex submissions received November 2013.
October and November 2013	Public Engagement in terms of sections 28 and 29 of the Municipal Systems Act: - Advertisement of time-schedule on website, local newspapers and notice boards - Acknowledgement of inputs received A3 posters were placed in each ward and A5 flyers distributed. Dates placed on Council year planner.
5 November 2013	Municipal Manager to review departmental submissions (Draft Capital Budgets) Departmental capex submissions discussed at HOD's 28 January 2014.
12 November 2013	Budget Steering Committee to consider Draft Capital Budget Draft capex budget discussed at BSC 4 February 2014 and finalised at BSC 10 February 2014.
30 November 2013	Departmental Compilation of Draft Operating Budget for 2014/2015 (based on draft capital budget as recommended by Budget Steering Committee) Departmental capex submissions received December 2013.
January 2014	Departments to confirm Capital Budget Projects based on latest IDP ward analysis and need collation – adjustments to Capital Budget to be

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Proposed Date	Activity
	made where applicable. Ward committees confirmed community issues. Final alignment only after budget has been finalized.
14 January 2014	Municipal Manager to review departmental submissions (Draft Operating Budgets) Departmental opex submissions discussed at HOD's 11 February 2014.
21 January 2014	Budget Steering Committee to consider first draft Operating Budget (before tariff approvals) Budget Steering Committee to consider Adjustments Budget for 2013/2014 Adjustments budget approved by Budget Steering Committee on 21 January 2014. Draft Opex budget discussed at BSC 17 February 2014.
24 January 2014	Draft tariff increases to be finalized by departments (including cost recovery analysis) Draft tariffs discussed and agreed to at BSC 17 February 2014.
28 January 2014	Municipal Manager to review draft balanced budget and proposed tariff increases Balanced budget discussed at HOD's 25 February 2014.
30 January 2014	Tabling of Annual Report for the 2012/2013 financial year to Council - Tabling of Annual report to Council - Annual report made public and submitted to PCs - Council - Public making of oversight report Annual Report approved by Council on 30 January 2014. Oversight report also tabled to Council on 30 January 2014. Documents submitted to AG, NT and PT and made public on website.
30 January 2014	Council to approve main adjustments budget Adjustments budget approved by Council 30 January 2014.
4 February 2014	Budget Steering Committee to consider draft balanced budget (based on recommended tariff increases) Meeting held on 3 March 2014 (final balanced budget after receiving DORA allocations and final capital budget). Budget steering committee recommended that the budget proceed to Section 80 committee for consideration.



Proposed Date	Activity
11 February 2014	Budget Steering Committee to consider budget policies - Tariff policies - Tariff by-laws - Property rates policy - Property rates by-laws Considered at Budget Steering Committee meeting of the 11th March 2014
18 February 2014	Budget Steering Committee to consider budget policies - Indigent management policy - Credit control and debt management policies - Revenue management policies and by-laws Considered at Budget Steering Committee meeting of the 11th March 2014
25 February 2014	Budget Steering Committee to consider budget policies - Cash management policy - Borrowing policy - Investment policy - Long term financial plan - Budget policy - Other policies Considered at Budget Steering Committee meeting of the 11th March 2014
28 February 2014	Corporate Services to scrutinise all tariff submissions and by-laws for legal compliance Policies and Tariffs submitted to HOD's for comments 5 March 2014
11 March 2014	Budget Steering Committee to consider Draft IDP
18 March 2014	Budget Steering Committee to consider Draft SDBIP
27 March 2014	Formal tabling of Draft IDP, Budget and SDBIP to Council in terms of the MFMA and the Municipal Systems Act Special Section 80 committee – 17 March 2014, Mayoral Committee 18 March 2014 and Council 27 March 2014.
1 April 2014	Advertise and publish final draft of IDP and Budget for public comment and submit to National and Provincial Treasury and others as prescribed by the MFMA and Municipal Systems Act Submission of IDP to MEC for Comments Submission of Budget to NT for Comments (Including upload files in printed and electronic format)



Proposed Date	Activity
	Submission of draft IDP / Budget to organs of state
April 2014	Engagements with National and Provincial Treasury regarding the tabled IDP, Budget and SDBIP
April 2014	IDP and Budget Hearings in terms of section 74 of the Municipal Systems Act and section 23 of the MFMA: - Conduct IDP/Corporate Scorecard / Budget Public Hearings to obtain public comment and inputs from communities, provincial government and other relevant stakeholders - Acknowledgement of comments received - Response to public comment i.r.o. Budget, tariffs and policies
25 April 2014	Summary of public comments received
6 May 2014	Budget Steering Committee to consider final IDP, Budget and SDBIP
13 May 2014	Mayoral Committee to recommend final IDP, Budget and SDBIP
29 May 2014	Council to approve final IDP and Budget. SDBIP to be noted by Council Council must give final approval of the IDP/Corporate Scorecard and Budget document by resolution, setting taxes and tariffs, approving changes to the IDP and budget related policies, approve measurable performance objectives for revenue by source and expenditure by vote before the start of the financial year as required by sections 23 and 24 of the MFMA and section 25 of the MSA
6 June 2014	Making public of approved IDP / Budget as per the MFMA and MSA requirements Tariff and By-law Promulgation Submission of approved IDP to MEC for Local Government and Housing Submission of approved IDP and Budget to NT (Including upload files in printed and electronic format)
30 June 2014	Section 57 (MSA) Performance Agreements: - Submit performance agreements to the Executive Mayor within 10 days after approval of the IDP and Budget. - Council to note New Section 57 Scorecards - Notification of approved S57 (top management performance agreements) to the public.
30 June 2014	Approval of SDBIP's: - Executive Mayor to approve Municipal SDBIP within 28 days after approval of the budget - Place all Directorate Executive Summaries and SDBIPs and

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Proposed Date	Activity
	Department Business Plans and SDBIPs on website

2.1.2 IDP and Service Delivery and Budget Implementation Plan

The IDP was reviewed started in September 2013 after the tabling of the IDP Process Plan and the Budget Time Schedule for the 2014/15 MTREF in August.

The Municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan includes the following key IDP processes and deliverables:

- Registration of community needs;
- Compilation of departmental business plans including key performance indicators and targets;
- Financial planning and budgeting process;
- Public participation process;
- Compilation of the SDBIP, and
- The review of the performance management and monitoring processes.

The IDP has been taken into a business and financial planning process leading up to the 2014/15 MTREF, based on the approved 2013/14 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2014/15 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2013/14 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

2.1.3 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2014/15 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2014/15 MTREF:

- Municipal growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- The approved 2013/14 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Investment possibilities
- The need for tariff increases versus the ability of the community to pay for services;

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- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 51 and 54 as well as 70, 71 and 72 has been taken into consideration in the planning and prioritisation process.

2.1.4 Community Consultation

The draft 2014/15 MTREF to be tabled before Council on 27 March 2014 for community consultation will be published on the municipality's website, and hard copies will be made available at municipal offices, municipal notice boards and various libraries.

All documents in the appropriate format (electronic and printed) will be provided to National and Provincial Treasury, and other national and provincial departments in accordance with section 23 of the MFMA, to provide an opportunity for them to make inputs.

Ward Committees will be utilised to facilitate the community consultation process in April 2014, including five public briefing sessions. The applicable dates and venues will be published in all the local newspapers.

Submissions that may be received during the community consultation process and additional information regarding revenue and expenditure and individual capital projects will be addressed, and where relevant considered as part of the finalisation of the 2014/15 MTREF. Feedback and responses to the submissions received will be available on request.

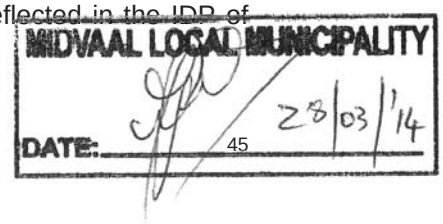
2.2 Overview of alignment of annual budget with IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the Municipality, issues of national and provincial importance should be reflected in the IDP of



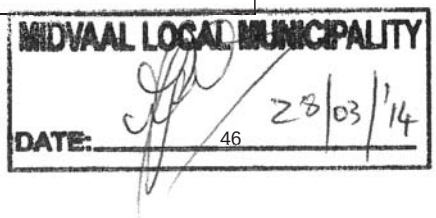
the municipality. A clear understanding of such intent is therefore imperative to ensure that the Municipality strategically complies with the key national and provincial priorities.

The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the Municipality's response to these requirements.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's five strategic objectives for the 2014/15 MTREF and further planning refinements that have directly informed the compilation of the budget:

Table 27 IDP Strategic Objectives

Key Performance Areas	Definition
KPA 1: Governance and Stakeholder Participation	To promote proper governance and public participation.
KPA 2: Safety and Environment	To contribute to the safety of communities in Midvaal through the pro-active identification, prevention, mitigation and management of environmental health, fire and disaster risks.
KPA 3: Social and Community Development	To assist and facilitate with the development and empowerment of the poor and the most vulnerable. These include the elderly, youth and disabled.
KPA 4: Institutional Transformation	To provide an effective and efficient workforce by aligning our institutional arrangements to our overall strategy in order to deliver quality services.
KPA 5: Financial Sustainability.	To ensure the financial sustainability of the municipality in order and to adhere to statutory requirements.
KPA 6: Physical Infrastructure and Energy Efficiency	To ensure efficient infrastructure and energy supply that will contribute to the improvement of quality of life for all citizens within Midvaal.
KPA 7: Services and Customer Care	To improve our public relations thereby pledging that our customers are serviced with dignity and care.
KPA 8: Economic Growth and Development	To facilitate sustainable economic empowerment for all communities within Midvaal and enabling a viable and conducive economic environment through the development of related initiatives including job creation and skills development.



In order to ensure integrated and focused service delivery between all spheres of government it was important for the Municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the Municipality. The five-year programme responds to the development challenges and opportunities faced by the Municipality by identifying the key performance areas to achieve the strategic objectives mentioned above.

The 2014/15 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

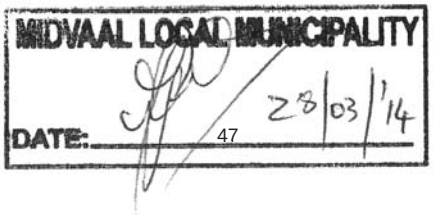


Table 28 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

Strategic Objective	Goal	Goal Code	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
KPA 1: Governance and Stakeholder Participation	To promote proper governance and public participation.			2 008	4 896	4 940	4 866	5 120	5 120	6 168	6 456	6 760
KPA 2: Safety and Environment	To contribute to the safety of communities in Midvaal through the pro-active identification, prevention, mitigation and management of environmental health, fire and disaster risks.			11 372	12 897	7 675	10 233	15 493	15 493	15 178	22 997	16 861
KPA 3: Social and Community Development	To assist and facilitate with the development and empowerment of the poor and the most vulnerable. These include the elderly, youth and disabled.			23 664	13 703	13 536	22 992	22 997	22 997	22 143	21 849	20 781
KPA 4: Institutional Transformation	To provide an effective and efficient workforce by aligning our institutional arrangements to our overall strategy in order to deliver quality services.			411	628	663	1 448	1 628	1 628	800	843	889
KPA 5: Financial Sustainability.	To ensure the financial sustainability of the municipality in order and to adhere to statutory			85 869	106 930	116 873	134 065	123 931	123 931	140 721	149 257	158 656
KPA 6: Physical Infrastructure and Energy Efficiency	To ensure efficient infrastructure and energy supply that will contribute to the improvement of quality of life for all citizens within Midvaal.			481 557	410 759	518 981	568 545	515 545	515 545	569 501	667 947	775 246
KPA 7: Services and Customer Care	To improve our public relations thereby pledging that our customers are serviced with dignity and care.											
KPA 8: Economic Growth and Development	To facilitate sustainable economic empowerment for all communities within Midvaal and enabling a viable and conducive economic environment through the development of related initiatives including job creation and skills development.			3 085	2 917	1 897	1 841	1 997	1 997	23 080	2 583	2 840
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	607 968	552 730	664 565	743 990	686 711	686 711	777 591	871 932	982 033

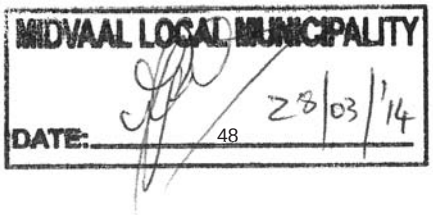


Table 29 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure

Strategic Objective	Goal	Goal Code	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
KPA 1: Governance and Stakeholder Participation	To promote proper governance and public participation.			28 661	32 112	37 222	48 339	47 950	47 950	50 742	54 064	56 996
KPA 2: Safety and Environment	To contribute to the safety of communities in Midvaal through the pro-active			22 211	34 802	38 733	45 088	46 279	46 279	47 381	51 338	53 308
KPA 3: Social and Community Development	To assist and facilitate with the development and empowerment of the poor and			33 132	32 777	36 323	41 676	40 604	40 604	45 990	51 425	52 557
KPA 4: Institutional Transformation	To provide an effective and efficient workforce by aligning our institutional arrangements			6 776	8 640	10 773	11 549	11 291	11 291	13 051	13 851	14 683
KPA 5: Financial Sustainability.	To ensure the financial sustainability of the municipality in order and to			39 114	43 357	42 673	59 345	57 498	57 498	46 937	51 069	54 737
KPA 6: Physical Infrastructure and Energy Efficiency	To ensure efficient infrastructure and energy supply that will contribute to			402 303	401 884	467 477	502 963	512 839	512 839	590 353	639 675	672 645
KPA 7: Services and Customer Care	To improve our public relations thereby pledging that our customers are serviced			883	362	709	781	745	745	767	808	850
KPA 8: Economic Growth and Development	To facilitate sustainable economic empowerment for all communities within			17 123	18 831	19 679	34 042	23 939	23 939	34 342	55 669	121 633
Allocations to other priorities												
Total Expenditure			1	550 202	572 765	653 590	743 784	741 144	741 144	829 564	917 900	1 027 409

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Table 30 MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure

Strategic Objective	Goal	Goal Code	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
KPA 1: Governance and Stakeholder Participation	To promote proper governance and public participation.	A B		9 349	3 933	1 107	2 533	2 709	2 709	7 771	20 930	3 749
KPA 2: Safety and Environment	To contribute to the safety of communities in Midvaal through the pro-active	C D			2 008	2 261	2 469	1 351	1 351	2 106	8 350	1 350
KPA 3: Social and Community Development	To assist and facilitate with the development and empowerment of the poor and	E F		12 537	651	4 404	15 169	14 267	14 267	12 774	17 320	5 500
KPA 4: Institutional Transformation	To provide an effective and efficient workforce by aligning our institutional arrangements	G H		489			145	143	143	273	50	50
KPA 5: Financial Sustainability.	To ensure the financial sustainability of the municipality in order and to	I J		10 719	16	436	118	216	216	140	620	620
KPA 6: Physical Infrastructure and Energy Efficiency	To ensure efficient infrastructure and energy supply that will contribute to	K L		149 657	34 201	89 921	131 996	78 185	78 185	62 808	46 960	53 988
KPA 7: Services and Customer Care	To improve our public relations thereby pledging that our customers are serviced	M N										
KPA 8: Economic Growth and Development	To facilitate sustainable economic empowerment for all communities within	O P		28	1 648		38	37	37	125	650	800
Allocations to other priorities			3									
Total Capital Expenditure			1	182 779	42 457	98 129	152 467	96 908	96 908	85 997	94 880	66 057

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2.3 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the Municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assesses and reviews organisational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:

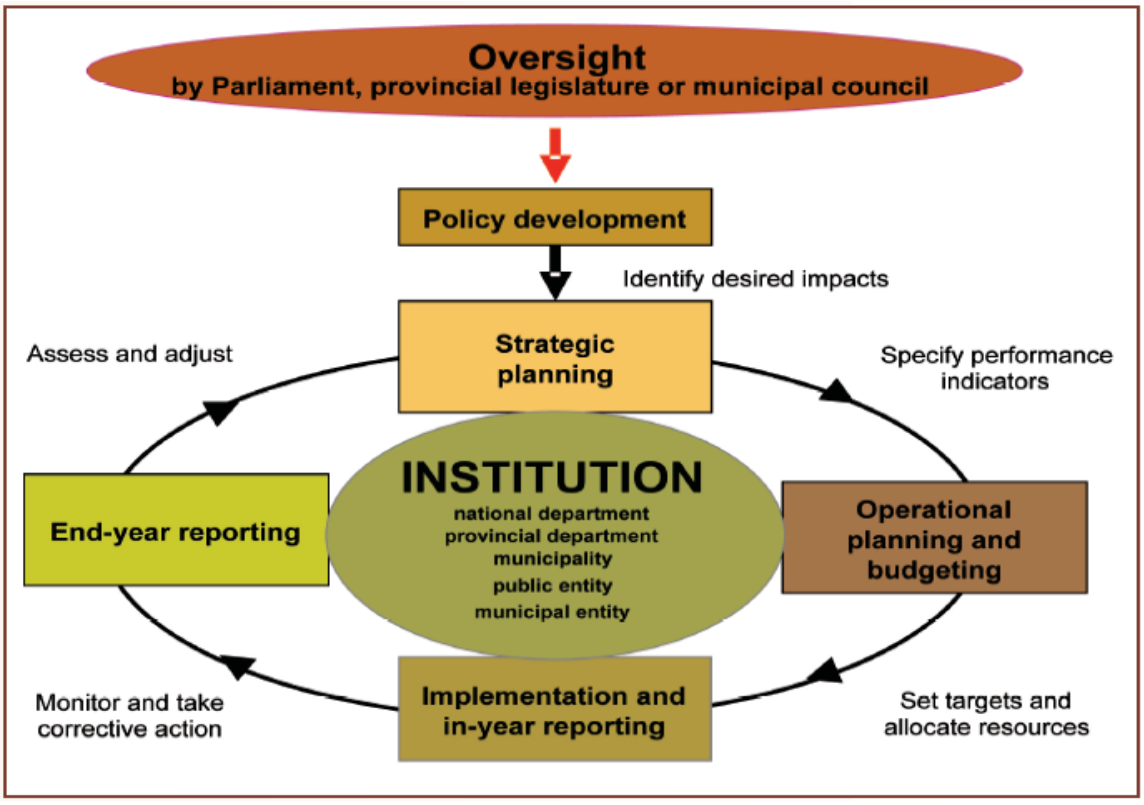


Figure 5 Planning, budgeting and reporting cycle

The performance of the Municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The Municipality therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);

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- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

The performance information concepts used by the Municipality in its integrated performance management system are aligned to the ***Framework of Managing Programme Performance Information*** issued by the National Treasury:

Figure 6 Definition of performance information concepts

The following table provides the main measurable performance objectives the municipality undertakes to achieve this financial year.

Table 31 MBRR Table SA7 - Measurable performance objectives

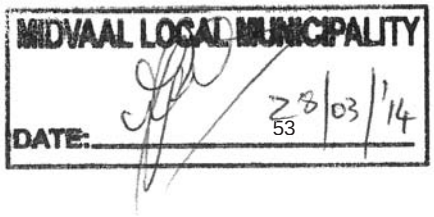
Refer to the IDP / SDBIP for detailed measurable performance indicators.

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The following table sets out the municipalities main performance objectives and benchmarks for the 2014/15 MTREF.

Table 32 MBRR Table SA8 - Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Borrowing Management											
Credit Rating		No rating	No rating	No rating	No rating	No rating	No rating	No rating			
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	3.6%	4.1%	3.9%	4.3%	4.3%	4.3%	3.2%	4.7%	4.1%	3.4%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	5.1%	5.1%	4.4%	5.4%	5.4%	5.4%	3.8%	5.8%	5.0%	4.2%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	51.0%	26.0%	23.2%	78.1%	72.8%	72.8%	0.0%	56.7%	41.8%	38.8%
Safety of Capital											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Liquidity											
Current Ratio	Current assets/current liabilities	1.0	1.1	1.5	1.3	1.5	1.4	1.2	1.5	1.5	1.6
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.0	1.1	1.5	1.3	1.5	1.4	1.2	1.5	1.5	1.6
Liquidity Ratio	Monetary Assets/Current Liabilities	0.0	0.0	0.4	0.2	0.4	0.4	0.6	0.3	0.3	0.4
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing	93.3%	90.6%	84.3%	93.6%	92.4%	92.5%	98.3%	94.1%	94.6%	89.9%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		93.3%	90.6%	84.3%	93.6%	92.4%	92.5%	98.3%	94.1%	94.6%	89.9%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	14.7%	20.2%	17.0%	16.2%	17.5%	17.5%	20.5%	16.1%	15.4%	14.2%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within`MFMA' s 65(e))	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Creditors to Cash and Investments		1769.6%	1738.5%	204.4%	396.2%	195.4%	213.8%	138.3%	301.0%	344.5%	221.2%
Other Indicators											
Electricity Distribution Losses (2)	Total Volume Losses (kW)		29 520 250	33 826 337	37 208 971	37 208 971	37 208 971		40 929 868	45 022 855	49 525 140
	Total Cost of Losses (Rand '000)		18 973	18 435	20 279	20 279	20 279		40 930	45 023	49 525
	% Volume (units purchased and generated less units sold)/units purchased and generated		12.43%	14.23%	14.00%	14.00%	14.00%		14.00%	14.00%	14.00%
Water Distribution Losses (2)	Total Volume Losses (kℓ)		3 399 994	3 310 640	3 641 704	3 641 704	3 641 704		4 005 874	4 406 462	4 847 108
	Total Cost of Losses (Rand '000)	12 431	16 823	14 932	16 426	16 426	16 426		40 930	45 023	49 525
	% Volume (units purchased and generated less units sold)/units purchased and generated	23.40%	24.33%	24.52%	24.00%	24.00%	24.00%		24.00%	24.00%	24.00%
Employee costs	Employee costs/(Total Revenue - capital revenue)	20.7%	26.3%	23.9%	25.3%	25.4%	25.4%	22.3%	24.9%	24.6%	23.8%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	21.4%	27.7%	25.1%	26.7%	26.8%	26.8%		26.1%	25.8%	24.9%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	4.7%	5.6%	4.5%	5.0%	5.2%	5.2%		6.3%	6.2%	5.9%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	21.8%	17.8%	19.9%	21.1%	21.4%	21.4%	16.7%	20.2%	20.6%	16.9%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	40.5	38.2	49.7	46.9	46.9	46.9	17.5	30.0	32.9	37.5
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	24.8%	25.3%	22.2%	19.9%	21.4%	21.4%	27.2%	19.2%	18.3%	16.8%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	0.1	0.1	1.0	0.5	1.0	1.0	3.8	0.6	0.5	0.7



2.3.1 Performance indicators and benchmarks

2.3.1.1 Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, Midvaal's borrowing strategy is primarily informed by the affordability of debt repayments. The structure of the City's debt portfolio is dominated by annuity loans. The following financial performance indicators have formed part of the compilation of the 2014/15 MTREF:

- *Borrowing to asset ratio* is a measure of the long-term borrowing as a percentage of the total asset base of the municipality.
- *Capital charges to operating expenditure* is a measure of the cost of borrowing in relation to the operating expenditure.
- *Borrowing funding of own capital expenditure* measures the degree to which own capital expenditure (excluding grants and contributions) has been funded by way of borrowing.

2.3.1.2 Safety of Capital

- *The debt-to-equity ratio* is a financial ratio indicating the relative proportion of equity and debt used in financing the municipality's assets. The indicator is based on the total of loans, creditors, overdraft and tax provisions as a percentage of funds and reserves.
- *The gearing ratio* is a measure of the total long term borrowings over funds and reserves.

2.3.1.3 Liquidity

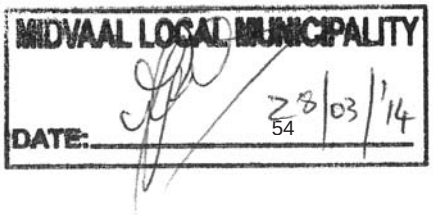
- *Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark the municiaplity has set a limit of 1, hence at no point in time should this ratio be less than 1.
- *The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1.

2.3.1.4 Revenue Management

- The budget is compiled based on a 96% collection rate. The debt collection and credit control policy is being implemented on an ongoing basis and debt older than 90 days are handed over to the external debt collectors for legal collections.

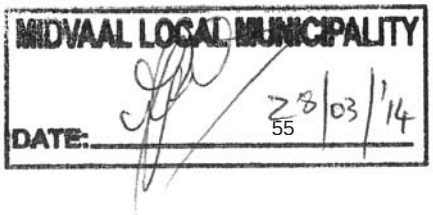
2.3.1.5 Creditors Management

- The Municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice.



2.3.1.6 Other Indicators

- The electricity and water distribution losses are within acceptable norms. The municipality is, however, implementing programmes on an ongoing basis to further reduce these losses.
- Employee costs as a percentage of operating revenue remains stable over the MTREF period.
- Repairs and maintenance as percentage of operating revenue is increasing as part of the municipality's approach to increase repairs and maintenance expenditure to protect its assets.



2.3.2 Free Basic Services: basic social services package for indigent households

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the Municipality. With the exception of water, only registered indigents qualify for the free basic services.

In terms of the Municipality's indigent policy registered households are entitled to 6kℓ fee water, 50 kwh of electricity, sanitation and free waste removal equivalent to 85ℓ once a week, as well as a rebate on their property rates.

Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained in Table 27 MBRR A10 (Basic Service Delivery Measurement) on page 38.

Note that the number of households in informal areas that receive free services and the cost of these services (e.g. the provision of water through stand pipes, water tankers, etc) are not taken into account in the table noted above.

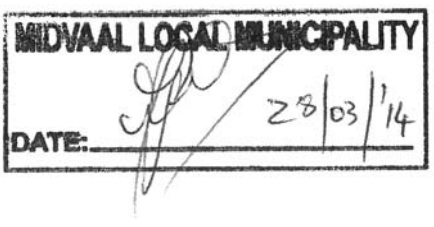
2.3.3 Providing clean water and managing waste water

The Municipality is the Water Services Authority in terms of the Water Services Act, 1997 and acts as water services provider. The Municipality's bulk water needs are provided directly by Rand Water in the form of purified water.

The Department of Water Affairs conducts an annual performance rating of water treatment works, presenting a Blue Drop or Green Drop award respectively to potable water treatment works and waste water treatment works that meet certain criteria of excellence.

Midvaal was awarded a score of 84.1% during the previous Blue Drop audit, 2 years ago. This percentage reflects the total management of the water sector. The compliance figure which indicates the quality of the water is more than 99%.

There are 3 waste water treatment works in the Midvaal area of which the Meyerton Waste Water Treatment works is the largest. The results of the previous Green Drop evaluation have not been published yet, but Midvaal has started with the upgrading of the Meyerton Works in order to cope with the increasing demand.



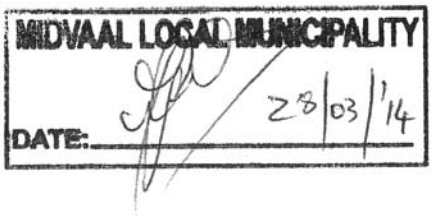
2.4 Overview of budget related-policies

The Municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

2.4.1 Review of procedures/policies

The Budget related policies were approved by Council in May 2013. While the adopted policies were credible, sustainable, manageable and informed by affordability and value for money, the policies were reviewed as part of the budget compilation as required by the Municipal Budget and Reporting regulations.

Polices were aligned with best practice policies as recommended by SALGA and IMFO. The following policies were reviewed:



- Tariff Policy
- Property Rates Policy
- Credit Control and Debt Collection Policy
- Cash Management Policy (New)
- Investment Policy
- Borrowing Policy
- Budget Funding and Reserves Policy
- Municipal Supply Chain Management Policy and Procedures
- Fixed Asset Management Policy
- Policy on the Planning and Approval of Capital Projects
- Indigents Policy
- Policy related to the provision of free basic electricity
- Policy related to the provision of free basic water
- Policy on the Acceptance of Grants, Donations, Sponsorships and Gifts
- Long Term Financial Plan
- Disposal of assets (New)
- Budget Implementation and Reporting Policy
- Local Procurement Policy
- Unauthorised, Irregular, Fruitless and Wasteful Expenditure
- Bulk Developer Contributions
- Related Party Policy

It must be noted that all Personnel Policies are submitted to Council as separate items.

The budget related policies are reviewed on an annual basis, and as such, policies approved during previous budget cycles must be repealed with effect from 1 July 2014.

The following financial by-laws were promulgated on 13 June 2013

- Tariff By-laws
- Credit Control / Debt Collection By-laws
- Rates By-laws
- Revenue By-laws

The abovementioned by-laws were reviewed and they must be repealed once the new by-laws as mentioned hereafter have been adopted and promulgated:

- Tariff By-laws
- Credit Control / Debt Collection By-laws
- Rates By-laws
- Revenue By-laws will not be replaced.

The new By-laws are attached hereto as Annexures and are submitted to Council for consideration in terms of Section 12 of the Local Government: Municipal Systems Act, No. 32 of 2003 read with Chapter 3 of the Gauteng Rationalisation of Local Government Affairs Act, No. 1 of 2003. If the by-laws are approved, they will be advertised for public comments. They will also be sent to Ward Committees; be placed on the municipal website and on Council notice boards in terms of the by-laws awareness plan.

If no objections are received thereto, the by-laws will be submitted to Council for final adoption and be promulgated in the Provincial Gazette. The "old" by-laws will then be repealed simultaneously.

2.5 Overview of budget assumptions

2.5.1 External factors

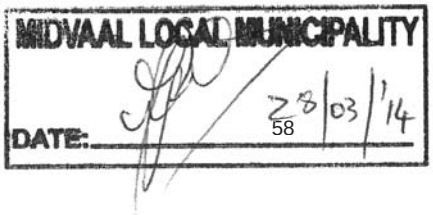
The budget policy framework for the next three years is designed to manage risk in a constrained fiscal environment, while building a foundation for economic growth which is supported by the implementation of the National Development Plan (NDP). Although South Africa's economy has expanded over the past years, the rate of growth has steadily declined, from 2.5 per cent of GDP in 2012 to 1.8 per cent in 2013; it is however projected to increase to 2.7 per cent in 2014, and gradually increase to 3.5 per cent by 2016. This trend reflects a confluence of unfavourable global and domestic circumstances which impact on all spheres of government. Inflation and a nominal spending ceiling will put real budgets under pressure over the medium term, requiring MLM to work more efficiently.

2.5.2 General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2014/15 MTREF:

- National Government macro economic targets;
- The general inflationary outlook and the impact on Municipal residents and businesses;
- The impact of municipal cost drivers;
- The increase in prices for bulk electricity and water; and
- The increase in the cost of remuneration.

The projected economic indicators used as basis of the budget are reflected hereunder:



ECONOMIC INDICATORS	BASIS OF PROJECTION	2014/15	2015/16	2016/17
Projected PPI	CPI + 1,1%	6,70%	6,50%	6,50%
Projected CPI	NT - Circular 70	5,60%	5,40%	5,40%
Assumed Prime Interest Rate	Current Prime rate	9,00%	10,00%	11,00%
Growth	NT - Circular 70	2,50%	3,00%	3,50%

2.5.3 Credit rating outlook

Midvaal does not have a formal credit rating, however, the latest viability rating received from Ratings Afrika reflected a positive improvement.

In 2012, the overall score for the Midvaal Local Municipality (based on the 2011 financial statements) was 40. Midvaal was the top performing local municipality in Gauteng as reflected in the table below:

Best performing by province					
Municipality	**2007**	**2008**	**2009**	**2010**	**2011**
EC – Amahlathi (Stutterheim)	72	79	82	82	79
FS – Nketoana (Reitz)	69	57	68	40	54
GP – Midvaal	34	29	37	33	40
KZN – KwaDukuza (Stanger/Ballito)	75	84	82	84	85
LP – Mogalakwena (Potgietersrus)	70	69	78	79	79
MP – Steve Tshwete (Middelburg)	82	79	73	70	76
NC - Sol Plaatje (Kimberley)	76	66	45	45	69
NW – Tlokwe (Potchefstroom)	78	77	77	76	70
WC – Stellenbosch	81	66	77	81	81
Table 4					

The ratings for 2013 was issued in November 2013. The rating for Midvaal in 2013 (based on the 2012 financial statements) has improved to 70. This is a 75% year on year improvement.

2.5.4 Interest rates for borrowing and investment of funds

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions. The Municipality engages in a number of financing arrangements to minimise its interest rate costs and risk. However, for simplicity the 2014/15 MTREF is based on the assumption that all borrowings are undertaken using fixed interest rates for amortisation-style loans (long term loans and HP agreements) requiring both regular principal and interest payments.

2.5.5 Collection rate for revenue services

The base assumption is that tariff and rating increases will increase at a rate higher than CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

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The rate of revenue collection is currently expressed as a percentage (96 %) of annual billings. No provision has been made for collection of arrears due to the historic trends showing that the collection of long outstanding arrears are very low.

2.5.6 Growth or decline in tax base of the municipality and increases for services

Debtor's revenue is assumed to increase at a rate that is influenced by the consumer debtors collection rate, tariff/rate pricing, real growth rate of the City, household formation growth rate and the poor household change rate.

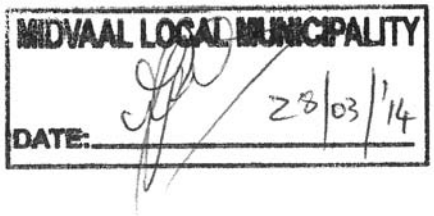
MAIN REVENUE SOURCES		F01	F02	F03
SERVICES INCOME INCREASES	**BASIS OF PROJECTION**	**2014/15**	**2015/16**	**2016/17**
Growth in consumption / Efficiency Gains				
Property rates	Actual trends	2,00%	2,00%	2,00%
Electricity	Actual trends	2,00%	2,00%	2,00%
Solid Waste	Actual trends	2,00%	2,00%	2,00%
Sanitation	Actual trends	2,00%	2,00%	2,00%
Water	Actual trends	2,00%	2,00%	2,00%
Tariff increases				
Property rates		10,00%	7,00%	7,00%
Electricity	NERSA	7,39%	7,00%	7,00%
Solid Waste		10,00%	7,00%	7,00%
Sanitation		10,00%	8,00%	8,00%
Water	Rand Water (8.1%)	10,00%	8,00%	8,00%
Total Income Increases				
Property rates	Calculated	19,83%		
Electricity	Calculated	14,72%		
Refuse Removal	Calculated	17,37%		
Sewerage	Calculated	17,42%		
Water	Calculated	15,42%		

OTHER INCOME INCREASES	BASIS OF PROJECTION	2014/15	2015/16	2016/17
Public Contributions	Engineering Estimates	Engineering Estimates	Engineering Estimates	Engineering Estimates
Public Donations	Engineering Estimates	Engineering Estimates	Engineering Estimates	Engineering Estimates
Government Grants (National)	DORA	DORA	DORA	DORA
Government Grants (Provincial)	DORA / Estimates	DORA / Estimates	DORA / Estimates	DORA / Estimates
Government Grants (District)	Projected CPI	5,60%	5,40%	5,40%
Government Subsidies	Projected CPI	5,60%	5,40%	5,40%
Fines	Projected CPI	5,60%	5,40%	5,40%
Interest on Debtors Accounts	Projected CPI	5,60%	5,40%	5,40%
Interest on Bank and Investments	Projected CPI	5,60%	5,40%	5,40%
Rent of Facilities and Equipment	Projected CPI	5,60%	5,40%	5,40%
Other Income	Projected CPI	5,60%	5,40%	5,40%
Gain on disposal of Income	Projected CPI	5,60%	5,40%	5,40%
Departmental Charges	Tariff Increases			

2.5.7 Salary increases

Salary increased were based on guidance received in the National Treasury budget circular.

EMPLOYEE RELATED COST INCREASES	BASIS OF PROJECTION / D	2014/15	2015/16	2016/17
Employee Related Costs	NT - Circular 70	6,80%	6,40%	6,40%
Employee Related Costs - Overtime	NT - Circular 70	6,80%	6,40%	6,40%
Employee Related Costs - New Positions	NT - Circular 70	6,80%	6,40%	6,40%
Remuneration of Councillors	NT - Circular 70	6,80%	6,40%	6,40%



2.5.8 Other expenditure increases

BULK EXPENDITURE INCREASES	BASIS OF PROJECTION / D	2014/15	2015/16	2016/17
Bulk Purchases - Electricity	NERSA	8,06%	8,00%	8,00%
Bulk Purchases - Water	Rand Water	8,10%	8,00%	8,00%
OTHER EXPENDITURE INCREASES	**BASIS OF PROJECTION / D**	**2014/15**	**2015/16**	**2016/17**
General Expenditure	Projected CPI	5,60%	5,40%	5,40%
Interest on External Borrowings	Loans Register	Loans Register	Loans Register	Loans Register
Contracted Services	Projected CPI	5,60%	5,40%	5,40%
Repairs and Maintenance	SDBIP Targets	12,00%	12,00%	12,00%
Grants Paid	Projected CPI	5,60%	5,40%	5,40%
Depreciation	Asset Register	Asset Register	Asset Register	Asset Register
Provision for Bad Debts	Collection Rate	96,00%	96,00%	96,00%
Loss on Disposal of Assets	Projected CPI	5,60%	5,40%	5,40%
Departmental Charges	Projected CPI	5,60%	5,40%	5,40%
Contribution to CRR	Availability of funds	10 000 000	5 080 000	4 830 000
Redemption	Loans Register	Loans Register	Loans Register	Loans Register
Offset Depreciation	Phasing in of depr funding	(2 000 000)	(2 500 000)	(3 000 000)

2.5.9 Projected Annual Financial Statements and Cash Flow

The project financial statements are based on the assumptions reflected below:

PROJECTED FINANCIAL STATEMENTS	BASIS OF ASSUMPTION	2014/15	2015/16	2016/17
Assets				
Current Assets				
Cash and Cash Equivalents	Calculation	Calculated	Calculated	Calculated
Short Term Investments	Ringfenced accounts	Ringfenced	Ringfenced	Ringfenced
Consumer Debtors	Projected CPI	5,60%	5,40%	5,40%
VAT Receivable	Projected CPI	5,60%	5,40%	5,40%
Other Receivables from Exchange Transactions	Projected CPI	5,60%	5,40%	5,40%
Inventories	Projected CPI	5,60%	5,40%	5,40%
Non Current Assets				
Property Plant and Equipment	Calculation based on capex	Calculated	Calculated	Calculated
Investment Property	Calculation based on capex	Calculated	Calculated	Calculated
Intangible Assets				
Other Long Term Debtors				
Liaibilities				
Current Liabilities				
Trade and Other Payables	Projected CPI	5,60%	5,40%	5,40%
Consumer Deposits	Projected CPI	5,60%	5,40%	5,40%
Short Term Portion of External Loan	External Loans Register	Loans Register	Loans Register	Loans Register
Short Term Portion of Finance Lease Obligation	External Loans Register	Loans Register	Loans Register	Loans Register
VAT payable	Projected CPI	5,60%	5,40%	5,40%
Unspent Conditional Grants and Receipts	Must spend in full	0,00%	0,00%	0,00%
Non Current Liabilities				
External Loans	External Loans Register	Loans Register	Loans Register	Loans Register
Provisions	Projected CPI	5,60%	5,40%	5,40%
Retirement Benefit Obligation	Projected CPI	5,60%	5,40%	5,40%
Finance Lease Obligation	External Loans Register	Loans Register	Loans Register	Loans Register

It is estimated that a spending rate of at least 95 % is achieved on operating expenditure and on the capital programme for the 2014/15 MTREF however, a 100% spending level has been factored into the cash flow budget for prudent cash management.

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2.6 Overview of budget funding

2.6.1 Medium-term outlook: operating revenue

The following table is a breakdown of the operating revenue over the medium-term:

Table 33 Breakdown of the operating revenue over the medium-term

Description	2014/15 Medium Term Revenue & Expenditure Framework					
R thousand	Budget Year 2014/15	%	Budget Year +1 2015/16	%	Budget Year +2 2016/17	%
Revenue By Source						
Property rates	130 588	18%	142 521	17%	167 345	18%
Service charges - electricity revenue	277 788	37%	311 794	38%	360 390	38%
Service charges - water revenue	148 112	20%	161 067	20%	181 887	19%
Service charges - sanitation revenue	30 855	4%	33 410	4%	37 272	4%
Service charges - refuse revenue	30 008	4%	32 463	4%	36 098	4%
Interest earned - external investments	2 000	0%	2 108	0%	2 222	0%
Interest earned - outstanding debtors	4 000	1%	4 216	1%	4 444	0%
Fines	14 523	2%	15 307	2%	16 134	2%
Transfers recognised - operational	77 119	10%	82 502	10%	96 905	10%
Other revenue	21 700	3%	27 159	3%	28 060	3%
Gains on disposal of PPE	–		–		–	0%
Total Revenue (excluding capital transfers and contributions)	744 155	100%	820 412	100%	939 046	100%

The following graph is a breakdown of the operational revenue per main category for the 2014/15 financial year.

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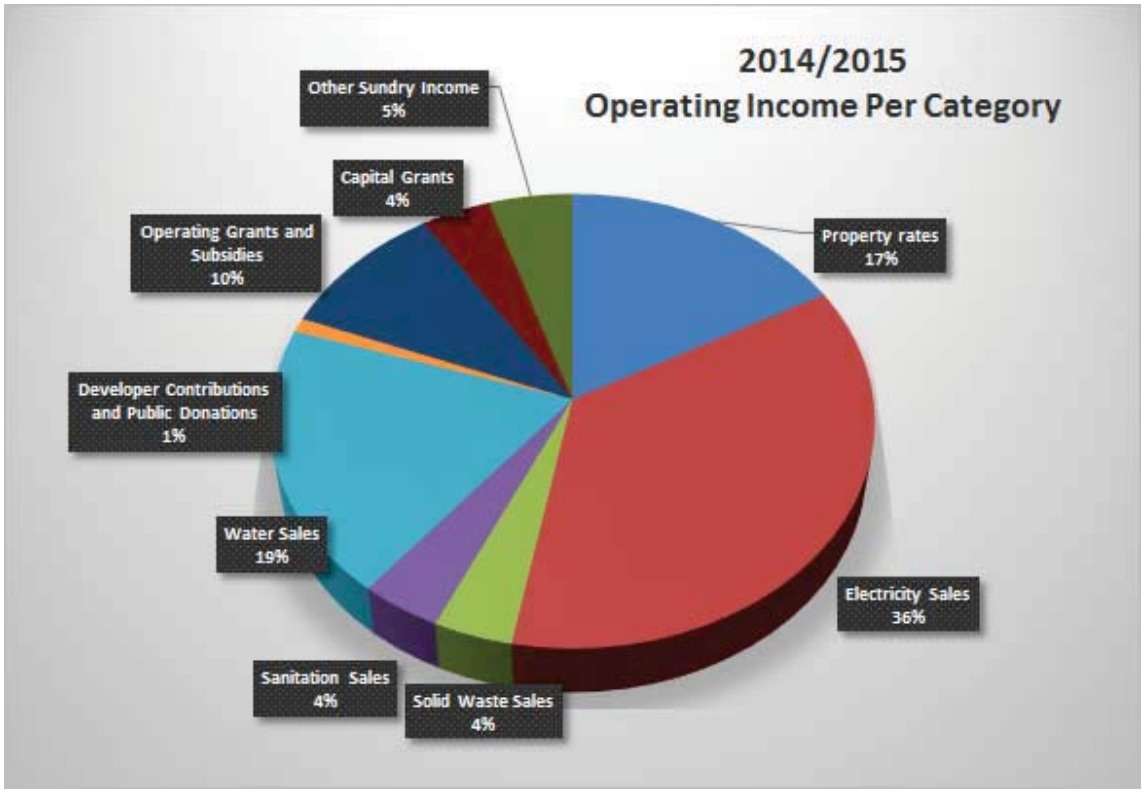


Figure 7 Breakdown of operating revenue for 2014/15

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The Municipality derives most of its operational revenue from the provision of goods and services such as water, electricity, sanitation and solid waste removal. Property rates, operating and capital grants from organs of state and other minor charges (such as building plan fees, licenses and permits etc).

The revenue strategy is a function of key components such as:

- Growth in the city and economic development;
- Revenue management and enhancement;
- Achievement of a 96 % annual collection rate for consumer revenue;
- National Treasury guidelines;
- Electricity tariff increases within the National Electricity Regulator of South Africa (NERSA) approval;
- Achievement of full cost recovery of specific user charges;
- Determining tariff escalation rate by establishing/calculating revenue requirements;
- The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA), and
- And the ability to extend new services and obtain cost recovery levels.

The above principles guide the annual increase in the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts.

The proposed tariff increases for the 2014/15 MTREF on the different revenue categories are:

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Table 34 Proposed tariff increases over the medium-term

SERVICES INCOME INCREASES	BASIS OF PROJECTION	2014/15	2015/16	2016/17
Tariff increases				
Property rates		10,00%	7,00%	7,00%
Electricity	NERSA	7,39%	7,00%	7,00%
Solid Waste		10,00%	7,00%	7,00%
Sanitation		10,00%	8,00%	8,00%
Water	Rand Water (8,1%)	10,00%	8,00%	8,00%

No investments are projected for the MTREF. Only surplus cash investments for period shorter than 3 months will be made and as required by GRAP these investments are included in cash and cash equivalents on the projected Statement of Financial Position.

Table 35 MBRR SA15 – Detail Investment Information

Investment type	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand									
Parent municipality									
Securities - National Government	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Listed Corporate Bonds	–	–	–	–	–	–	–	–	–
Deposits - Bank	–	–	–	–	–	–	–	–	–
Deposits - Public Investment Commissioners	–	–	–	–	–	–	–	–	–
Deposits - Corporation for Public Deposits	–	–	–	–	–	–	–	–	–
Bankers Acceptance Certificates	–	–	–	–	–	–	–	–	–
Negotiable Certificates of Deposit - Banks	–	–	–	–	–	–	–	–	–
Guaranteed Endowment Policies (sinking)	–	–	–	–	–	–	–	–	–
Repurchase Agreements - Banks	–	–	–	–	–	–	–	–	–
Municipal Bonds	–	–	–	–	–	–	–	–	–
Municipality sub-total	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

Table 36 MBRR SA16 – Investment particulars by maturity

Investments by Maturity	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate 3.	Commission Paid (Rands)	Commission Recipient	Expiry date of investment
Name of institution & investment ID	Yrs/Months							
Parent municipality								
	0	0	0	0	0	0	0	
	0	0	0	0	0	0	0	
	0	0	0	0	0	0	0	
	0	0	0	0	0	0	0	
	0	0	0	0	0	0	0	
	0	0	0	0	0	0	0	
	0	0	0	0	0	0	0	
TOTAL INVESTMENTS AND INTEREST	0	0	0	0	0	0	0	

2.6.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2014/15 medium-term capital programme:

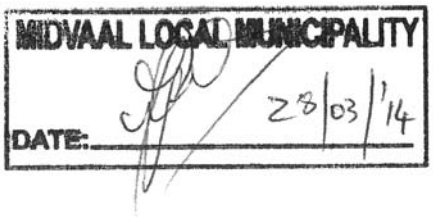


Table 37 Sources of capital revenue over the MTREF

Vote Description	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Funded by:										
National Government	24 009	21 253	24 500	27 158	27 158	27 158		28 686	29 880	31 038
Provincial Government	77	1 693	962	100	100	100		1 450	–	–
District Municipality										
Other transfers and grants	29 802	8 240	3 539	57 058	9 036	9 036		4 300	12 120	12 120
Transfers recognised - capital	53 888	31 186	29 001	84 316	36 294	36 294	–	34 436	42 000	43 158
Public contributions & donations	102 851	3 837	55 714	10 000	1 500	1 500		8 550	9 800	10 000
Borrowing	13 293	1 931	3 112	45 440	43 046	43 046		24 400	18 000	5 000
Internally generated funds	12 747	5 503	10 303	12 711	16 068	16 068		18 611	25 080	7 899
Total Capital Funding	182 779	42 457	98 130	152 467	96 907	96 907	–	85 997	94 880	66 057

The above table is graphically represented as follows for the 2014/15 financial year.

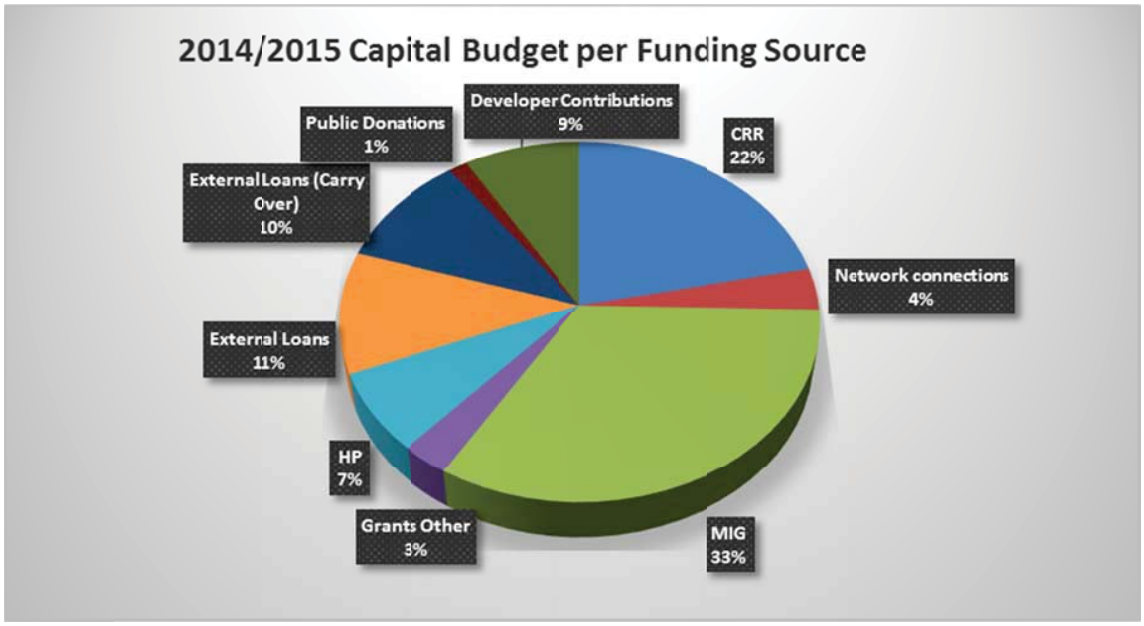


Figure 8 Sources of capital revenue for the 2014/15 financial year

Table 38 MBRR Table SA 17 - Detail of borrowings

Borrowing - Categorised by type	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Parent municipality										
Long-Term Loans (annuity/reducing balance)		125 105	106 651	117 303	154 310	154 310	187 064	166 376	146 237	126 022
Financial Leases			10 667	9 762	11 895	11 895	11 895	16 953	21 953	26 953
Municipality sub-total	1	125 105	117 318	127 065	166 205	166 205	198 959	183 328	168 190	152 974

The following graph illustrates the outstanding borrowings vs operating revenue

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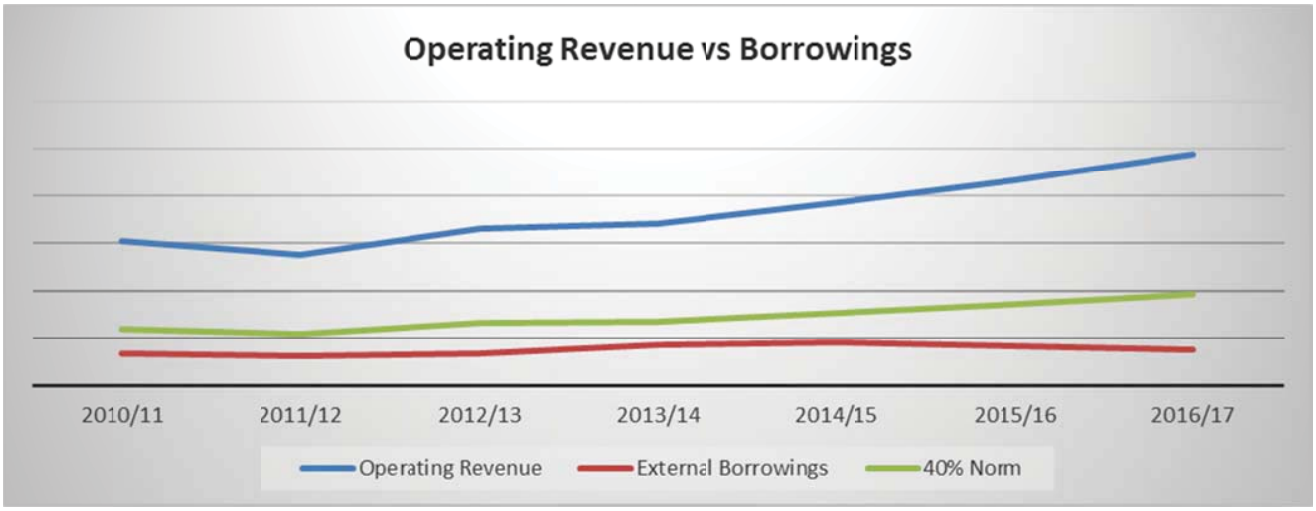


Figure 9 External Borrowings vs Operating Revenue

Internally generated funds consist of a mixture between surpluses generated on the operating statement of financial performance and cash backed reserves. In determining the credibility of this funding source it becomes necessary to review the cash flow budget as well as the cash backed reserves and accumulated funds reconciliation, as discussed below.

Table 39 MBRR Table SA 18 - Capital transfers and grant receipts

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Capital Transfers and Grants									
National Government:	16 627	27 507	31 006	84 216	36 214	36 214	28 786	35 000	41 158
FMG			37	7 058	56	56	100	120	120
Municipal Infrastructure Grant (MIG)	16 627	21 253	26 711	27 158	27 158	27 158	28 686	29 880	31 038
Regional Bulk Infrastructure		6 253	4 258	50 000	–	–			
EEDMG					9 000	9 000		5 000	10 000
Provincial Government	1 909	5 694	1 000	100	100	100	2 450	5 000	–
DSCAR	1 909	5 694	1 000	100	100	100	2 450	5 000	
	–	–	–	–	–	–	–	–	–
TOTAL EXPENDITURE OF TRANSFERS AND GI	68 947	90 019	96 206	155 601	107 601	107 601	108 355	122 502	138 063

2.6.3 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provide for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue., and

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- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Ratepayers and other		365 481	411 146	481 855	549 312	540 707	540 707	373 650	625 578	696 375	755 320
Government - operating	1	50 411	56 818	64 200	71 285	71 287	71 287	50 849	77 119	82 502	96 905
Government - capital	1	21 034	35 800	32 006	84 316	36 314	36 314	26 571	31 236	40 000	41 158
Interest		775	1 157	2 037	1 800	2 800	2 800	2 244	2 000	2 108	2 222
Dividends		–	–	–	–	–	–	–	–	–	–
Payments											
Suppliers and employees		(384 382)	(440 276)	(487 283)	(566 216)	(565 110)	(565 110)	(379 955)	(642 482)	(697 690)	(782 342)
Finance charges		(16 125)	(13 988)	(16 120)	(22 116)	(22 116)	(22 116)	(8 637)	(18 806)	(17 071)	(14 888)
Transfers and Grants	1										
NET CASH FROM/(USED) OPERATING ACTIVITIES		37 195	50 658	76 695	118 381	63 882	63 882	64 722	74 645	106 224	98 375
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		857	610	–	–	–	–	–	–	–	–
Decrease (Increase) in non-current debtors		–	–	–	–	–	–	–	–	–	–
Decrease (increase) other non-current receivables		–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–	–	–	–
Payments											
Capital assets		(40 959)	(42 457)	(53 274)	(152 467)	(96 907)	(96 907)	(27 346)	(84 797)	(93 580)	(64 557)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(40 102)	(41 847)	(53 274)	(152 467)	(96 907)	(96 907)	(27 346)	(84 797)	(93 580)	(64 557)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans											
Borrowing long term/refinancing		10 298	369	21 584	46 071	47 164	47 164	37 304	6 470	5 000	5 000
Increase (decrease) in consumer deposits											
Payments											
Repayment of borrowing		(3 863)	(8 541)	(9 871)	(9 739)	(9 739)	(9 739)	(5 792)	(19 871)	(20 138)	(20 216)
NET CASH FROM/(USED) FINANCING ACTIVITIES		6 434	(8 172)	11 713	36 332	37 425	37 425	31 512	(13 401)	(15 138)	(15 216)
NET INCREASE/ (DECREASE) IN CASH HELD		3 527	639	35 134	2 246	4 399	4 399	68 888	(23 553)	(2 495)	18 602
Cash/cash equivalents at the year begin:	2	1 184	4 711	5 350	20 354	40 484	40 484	40 484	55 061	31 509	29 014
Cash/cash equivalents at the year end:	2	4 711	5 350	40 484	22 600	44 884	44 884	109 372	31 509	29 014	47 616

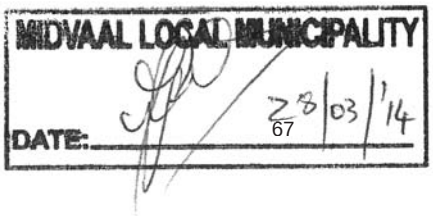
Table 40 MBRR Table A7 - Budget cash flow statement

The above table shows that cash and cash equivalents of the municipality was at a low base at the end of the 2010/2011 financial year financial year moving up progressively up to June 2014. The balance will reduce towards the end of 2015 as the Eskom back-billing amount is being repaid and the external loan taken up to fund the capital budget is depleted. Cash balances will increase in the 2016/2017 financial year if the strict cost containment strategy commenced with yields the desired results.

2.6.4 Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?
- How are those funds used?
- What is the net funds available or funding shortfall?



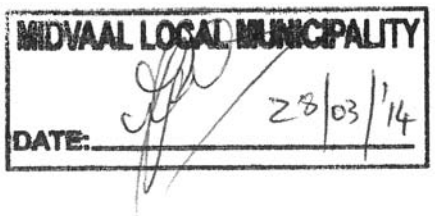
A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (applications > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected). It is also important to analyse trends to understand the consequences, e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

Table 41 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Cash and investments available											
Cash/cash equivalents at the year end	1	4 711	5 350	40 484	22 600	44 884	44 884	109 372	31 509	29 014	47 616
Other current investments > 90 days		0	(0)	(0)	–	0	10 178	(0)	–	(0)	(0)
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		4 711	5 350	40 484	22 600	44 884	55 061	109 372	31 509	29 014	47 616
Application of cash and investments											
Unspent conditional transfers		4 246	–	–	–	–	24 688	–	–	–	–
Unspent borrowing		6 195	6 195	6 195	–	8 800	26 000		12 549	–	–
Statutory requirements	2	3 641	4 467	15 741	5 491	14 816	(8 872)	82 167	11 555	12 313	13 112
Other working capital requirements	3	3 914	(6 103)	(13 564)	(4 050)	(22 702)	(17 469)	(33 885)	(23 654)	(25 617)	(21 069)
Other provisions		(8 900)	(11 768)	(18 660)	(10 152)	(11 038)	(10 918)	(24 455)	(9 746)	(9 586)	(16 035)
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	15 538	49 331	67 409	19 448	37 731	37 731	67 409	39 834	41 985	44 252
Total Application of cash and investments:		24 633	42 123	57 121	10 736	27 607	51 159	91 235	30 538	19 095	20 260
Surplus(shortfall)		(19 922)	(36 772)	(16 637)	11 864	17 277	3 902	18 137	970	9 919	27 356

From the above table it can be seen that the budget for the MTREF period is funded as per the Funding and Reserves policy of the municipality.

- Unspent conditional transfers (grants) are automatically assumed to be an obligation as the municipality has received government transfers in advance of meeting the conditions. Ordinarily, unless there are special circumstances, the municipality is obligated to return unspent conditional grant funds to the national revenue fund at the end of the financial year.
- Unspent borrowing from the previous financial years. Unspent borrowings are ring-fenced and reconciled on a monthly basis to ensure no unnecessary liabilities are incurred.
- Provisions for statutory requirements include the capital replacement reserve, the leave accrual, consumer deposits and retentions held.
- The main purpose of other working capital is to ensure that sufficient funds are available to meet obligations as they fall due. Working capital is calculated as the difference between net debtors (i.e. after provision for non-payment) and creditors.



2.6.5 Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

Table 42 MBRR SA10 – Funding compliance measurement

Description	MFMA section	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	4 711	5 350	40 484	22 600	44 884	44 884	109 372	31 509	29 014	47 616
Cash + investments at the yr end less applications - R'000	18(1)b	2	(19 922)	(36 772)	(16 637)	11 864	17 277	3 902	18 137	970	9 919	27 356
Cash year end/monthly employee/supplier payments	18(1)b	3	0.1	0.1	1.0	0.5	1.0	1.0	3.8	0.6	0.5	0.7
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	57 765	(20 034)	10 975	207	(54 433)	(54 433)	7 649	(51 973)	(45 968)	(45 375)
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	12.7%	10.5%	5.0%	(7.1%)	(6.1%)		11.4%	4.3%	8.8%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	93.3%	90.6%	84.3%	93.6%	92.4%	92.5%	98.3%	94.1%	94.6%	89.9%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	7.1%	5.5%	5.6%	5.0%	4.7%	4.7%	4.5%	4.4%	5.0%	8.0%
Capital payments % of capital expenditure	18(1)c;19	8	22.4%	100.0%	54.3%	100.0%	100.0%	100.0%	0.0%	98.6%	98.6%	97.7%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	8.0%	3.3%	31.2%	67.6%	77.8%	77.8%	0.0%	12.5%	9.5%	21.8%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	21.3%	2.2%	(0.5%)	6.2%	0.0%	(16.6%)	5.6%	5.4%	5.4%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	1.3%	1.4%	1.4%	1.6%	1.6%	1.6%	2.3%	2.3%	2.6%	2.9%
Asset renewal % of capital budget	20(1)(vi)	14	27.0%	32.3%	28.2%	61.2%	36.9%	36.9%	0.0%	39.2%	33.7%	35.1%

2.6.5.1 Cash/cash equivalent position

The municipality's forecast cash position was discussed as part of the budgeted cash flow statement. A 'positive' cash position, for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements.

If the municipality's forecast cash position is negative, for any year of the medium term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year. The forecasted cash and cash equivalents for the 2014/15 MTREF shows R1.1 billion, R1.0 billion and R1.2 billion for each respective financial year.

2.6.5.2 Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses is contained in Table 25. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made. This has been extensively discussed above.

2.6.5.3 Monthly average payments covered by cash or cash equivalents

The purpose of this measure is to understand the level of financial risk should the municipality be

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be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the Municipality to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection such as rate boycotts

2.6.5.4 Surplus/deficit excluding depreciation offsets

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that rates and service charges are insufficient to ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium term.

It needs to be noted that a surplus does not necessarily mean that the budget is funded from a cash flow perspective and the first two measures in the table are therefore critical.

In Midvaal's cash, the municipality is generating a deficit if offset depreciation is not taken into consideration.

2.6.5.5 Property Rates/service charge revenue as a percentage increase less macro inflation target

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etc.

The factor is calculated by deducting the maximum macro-economic inflation target increase (which is currently 3 - 6 %). The result is intended to be an approximation of the real increase in revenue.

2.6.5.6 Cash receipts as a percentage of ratepayer and other revenue

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget.

2.6.5.7 Debt impairment expense as a percentage of billable revenue

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues.

2.6.5.8 Capital payments percentage of capital expenditure

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. The municipality aims to keep this as low

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as possible through strict compliance with the legislative requirement that debtors be paid within 30 days.

2.6.5.9 Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)

The purpose of this measurement is to determine the proportion of a municipality's 'own-funded' capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance. Externally funded expenditure (by transfers/grants and contributions) has been be excluded.

2.6.5.10 Transfers/grants revenue as a percentage of Government transfers/grants available

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100 % could indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for. The Council has budgeted for all transfers.

2.6.5.11 Consumer debtors change (Current and Non-current)

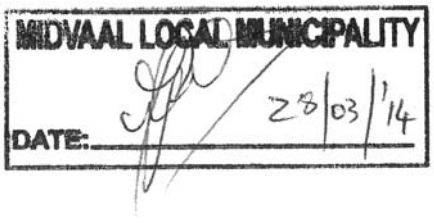
The purpose of these measures are to ascertain whether budgeted reductions in outstanding debtors are realistic. There are 2 measures shown for this factor; the change in current debtors and the change in long term receivables, both from the Budgeted Financial Position.

2.6.5.12 Repairs and maintenance expenditure level

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected. Details of the Municipality's strategy pertaining to asset management and repairs and maintenance is contained in Table 60 MBRR SA34C.

2.6.5.13 Asset renewal/rehabilitation expenditure level

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for 'repairs and maintenance' budgets. Further details in this regard are contained in Table 59 MBRR SA34b.



2.7 Expenditure on grants and reconciliations of unspent funds

Table 43MBRR SA19 - Expenditure on transfers and grant programmes

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		40 152	47 596	55 046	58 905	58 907	58 907	65 285	71 447	79 969
Local Government Equitable Share		37 448	44 379	50 833	54 673	54 673	54 673	60 716	67 900	76 071
Municipal Systems Improvement		1 000	800	1 000	890	890	890	934	967	1 018
FMG		1 000	1 250	1 213	1 242	1 244	1 244	1 350	1 380	1 580
EPWP Incentive			299	1 000	1 000	1 000	1 000	1 135		
MIG		704	868	1 000	1 100	1 100	1 100	1 150	1 200	1 300
Provincial Government:		7 748	6 363	–	8 994	8 994	8 994	8 546	7 589	13 283
Health subsidy		5 222	4 400	–	6 494	6 494	6 494	6 916	7 289	7 683
Sport and Recreation		2 527	1 963	–	2 500	2 500	2 500	1 630	300	5 600
District Municipality:		2 511	2 859	–	3 386	3 386	3 386	3 288	3 466	3 653
Enviromental grant		2 437	2 575	–	3 117	3 117	3 117	3 000	3 162	3 333
HIV programme		73	284	–	269	269	269	288	304	320
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]		–	–	–	–	–	–	–	–	–
Total operating expenditure of Transfers and Grants		50 411	56 818	55 046	71 285	71 287	71 287	77 119	82 502	96 905
Capital expenditure of Transfers and Grants										
National Government:		16 627	27 507	31 006	84 216	36 214	36 214	28 786	35 000	41 158
FMG				37	7 058	56	56	100	120	120
Municipal Infrastructure Grant (MIG)		16 627	21 253	26 711	27 158	27 158	27 158	28 686	29 880	31 038
Regional Bulk Infrastructure			6 253	4 258	50 000	–	–			
EEDMG						9 000	9 000		5 000	10 000
Provincial Government:		1 678	1 693	–	100	100	100	2 450	5 000	–
DSRAC		1 678	1 693	–	100	100	100	2 450	5 000	–
District Municipality:		231	4 001	–	–	–	–	–	–	–
Sedibeng		231	4 001	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]		–	–	–	–	–	–	–	–	–
Total capital expenditure of Transfers and Grants		18 536	33 200	31 006	84 316	36 314	36 314	31 236	40 000	41 158
TOTAL EXPENDITURE OF TRANSFERS AND GRANT		68 947	90 018	86 052	155 601	107 601	107 601	108 355	122 502	138 063

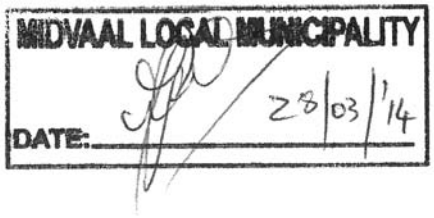
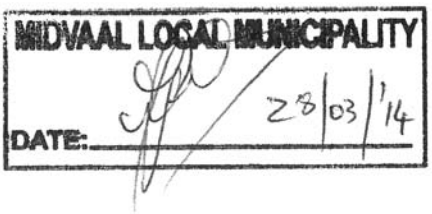


Table 44 MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year										
Current year receipts		40 152	47 596	51 812	58 905	58 907	58 907	65 285	71 447	79 969
Conditions met - transferred to revenue		40 152	47 596	51 812	58 905	58 907	58 907	65 285	71 447	79 969
Conditions still to be met - transferred to liabilities										
Current year receipts		7 748	6 363	7 114	8 994	3 380	3 380	8 546	7 589	13 283
Conditions met - transferred to revenue		7 748	6 363	7 114	8 994	3 380	3 380	8 546	7 589	13 283
Conditions still to be met - transferred to liabilities										
Current year receipts		148 370	10 696		3 386			3 288	3 466	3 653
Conditions met - transferred to revenue		148 370	10 696	–	3 386	–	–	3 288	3 466	3 653
Conditions still to be met - transferred to liabilities										
Total operating transfers and grants revenue		196 270	64 655	58 926	71 285	62 287	62 287	77 119	82 502	96 905
Total operating transfers and grants - CTBM	2	–	–	–	–	–	–	–	–	–
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year										
Current year receipts		19 125	29 493	28 000	84 216	36 194	36 194	28 786	35 000	41 158
Conditions met - transferred to revenue		19 125	29 493	28 000	84 216	36 194	36 194	28 786	35 000	41 158
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts		1 678	1 693	1 000	100	100	100	2 450	5 000	
Conditions met - transferred to revenue		1 678	1 693	1 000	100	100	100	2 450	5 000	–
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts		33 085						3 200	2 000	2 000
Conditions met - transferred to revenue		33 085	–	–	–	–	–	3 200	2 000	2 000
Conditions still to be met - transferred to liabilities										
Total capital transfers and grants revenue		53 888	31 185	29 000	84 316	36 294	36 294	34 436	42 000	43 158
Total capital transfers and grants - CTBM	2	–	–	–	–	–	–	–	–	–
TOTAL TRANSFERS AND GRANTS REVENUE		250 159	95 840	87 927	155 601	98 581	98 581	111 555	124 502	140 063
TOTAL TRANSFERS AND GRANTS - CTBM		–	–	–	–	–	–	–	–	–



2.8 Councillor and employee benefits

Table 45 MBRR SA22 - Summary of councillor and staff benefits

Summary of Employee and Councillor remuneration	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	4 978	7 066	7 522	9 235	9 235	9 235	8 432	8 971	9 545
Cellphone Allowance	253	363	352	473	473	473	620	659	701
Sub Total - Councillors	5 231	7 429	7 874	9 708	9 708	9 708	9 052	9 630	10 246
% increase		42.0%	6.0%	23.3%	–	–	(6.8%)	6.4%	6.4%
Senior Managers of the Municipality									
Basic Salaries and Wages	6 308	5 537	7 237	7 867	7 867	7 867	8 378	8 880	9 413
Pension and UIF Contributions	999	1 070	1 032	859	859	859	1 228	1 301	1 380
Medical Aid Contributions	108	120	119	146	146	146	106	112	119
Overtime									
Performance Bonus	1 211	1 174	709	131	131	131	–	–	–
Motor Vehicle Allowance	696	694	834	858	858	858	978	1 037	1 098
Cellphone Allowance	12	12	95	96	96	96	198	210	222
Other benefits and allowances							99	105	111
Sub Total - Senior Managers of Municipality	9 334	8 607	10 026	9 957	9 957	9 957	10 987	11 645	12 343
% increase		(7.8%)	16.5%	(0.7%)	–	–	10.3%	6.0%	6.0%
Other Municipal Staff									
Basic Salaries and Wages	68 902	83 819	90 583	97 905	95 572	95 572	110 604	123 292	140 076
Pension and UIF Contributions	15 235	16 425	18 116	22 251	21 809	21 809	23 550	25 303	26 926
Medical Aid Contributions	6 237	5 619	7 763	9 295	8 217	8 217	8 591	9 142	9 727
Overtime	6 370	5 271	6 927	7 122	8 058	8 058	8 623	9 174	9 762
Performance Bonus	6 380	5 792	6 181	7 788	7 056	7 056	8 061	8 495	9 039
Motor Vehicle Allowance	4 527	4 778	5 259	6 345	6 555	6 555	7 089	7 286	7 758
Cellphone Allowance	868	908	832	877	1 054	1 054	983	1 035	1 102
Housing Allowances	777	831	828	967	942	942	1 022	1 074	1 143
Other benefits and allowances	2 262	4 561	4 655	3 992	5 684	5 684	5 529	5 411	5 757
Sub Total - Other Municipal Staff	111 558	128 004	141 144	156 542	154 947	154 947	174 052	190 212	211 290
% increase		14.7%	10.3%	10.9%	(1.0%)	–	12.3%	9.3%	11.1%
Total Parent Municipality	126 123	144 040	159 044	176 207	174 612	174 612	194 091	211 487	233 879
		14.2%	10.4%	10.8%	(0.9%)	–	11.2%	9.0%	10.6%
TOTAL SALARY, ALLOWANCES & BENEFITS	126 123	144 040	159 044	176 207	174 612	174 612	194 091	211 487	233 879
% increase		14.2%	10.4%	10.8%	(0.9%)	–	11.2%	9.0%	10.6%
TOTAL MANAGERS AND STAFF	120 892	136 611	151 170	166 499	164 904	164 904	185 039	201 857	223 633

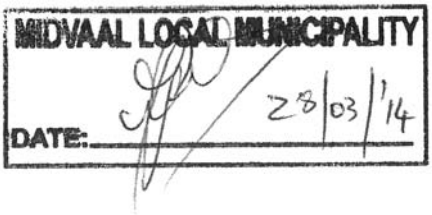


Table 46 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum			1.				2.
Councillors							
Speaker	1	574 797		24 468			599 265
Chief Whip	2	553 242		48 936			602 178
Executive Mayor	1	718		24 468			25 186
Deputy Executive Mayor							–
Executive Committee	5	2 694 361		122 340			2 816 701
Total for all other councillors	18	3 891 162		399 788			4 290 950
Total Councillors	27	7 714 280	–	620 000			8 334 280
Senior Managers of the Municipality							
Municipal Manager (MM)		1 205 980	196 529	198 000			1 600 509
Chief Finance Officer		937 081	216 320	168 000			1 321 401
List of each offical with packages >= senior manager							
Executive Directors:							–
Corporate Services		1 359 120	16 404	84 000			1 459 524
Human Resources		1 038 875	198 526	84 000			1 321 401
Social Services		875 462	205 939	240 000			1 321 401
Engineering Services		930 679	210 722	180 000			1 321 401
Protection Services		1 040 616	226 785	54 000			1 321 401
Development & Planning		990 252	163 149	168 000			1 321 401
Total Senior Managers of the Municipality	–	8 378 065	1 434 374	1 176 000	–		10 988 439
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	27	16 092 345	1 434 374	1 796 000	–		19 322 719

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Table 47 MBRR SA24 – Summary of personnel numbers

Summary of Personnel Numbers	2012/13			Current Year 2013/14			Budget Year 2014/15		
Number	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities									
Councillors (Political Office Bearers plus Other Councillors)									
Board Members of municipal entities									
Municipal employees									
Municipal Manager and Senior Managers	8	–	8	8	–	8	8	–	8
Other Managers	21	15	5	25	19	5	31	19	5
Professionals	*56*	*56*	–	*60*	*57*	–	*64*	*57*	–
Finance	7	7	–	7	7	–	8	7	–
Spatial/town planning	5	5	–	4	4	–	5	4	–
Information Technology	–	–	–	–	–	–	–	–	–
Roads	1	1	–	1	1	–	1	1	–
Electricity	3	3	–	3	3	–	3	3	–
Water	1	1	–	1	1	–	1	1	–
Sanitation	–	–	–	1	–	–	1	–	–
Refuse	1	1	–	1	1	–	1	1	–
Other	38	38	–	42	40	–	44	40	–
Technicians	*8*	*8*	*3*	*15*	*13*	*3*	*16*	*13*	*3*
Finance	–	–	–	–	–	–	–	–	–
Spatial/town planning	8	8	–	11	9	–	12	9	–
Information Technology	–	–	3	4	4	3	4	4	3
Clerks (Clerical and administrative)	126	126	–	134	132	–	147	132	–
Service and sales workers	61	59	–	73	63	–	82	65	–
Skilled agricultural and fishery workers	–	–	–	–	–	–	–	–	–
Craft and related trades	54	52	–	70	66	–	86	66	–
Plant and Machine Operators	72	72	–	76	72	–	85	72	–
Elementary Occupations	197	197	–	213	212	–	222	212	–
TOTAL PERSONNEL NUMBERS	603	585	16	674	634	16	741	636	16
% increase				11.8%	8.4%	–	9.9%	0.3%	–
Total municipal employees headcount									

2.9 Monthly targets for revenue, expenditure and cash flow

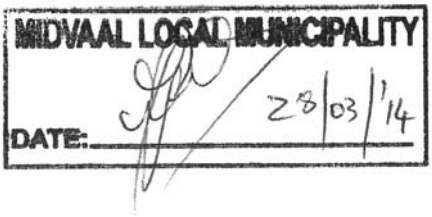


Table 48 MBRR SA25 - Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue By Source																
Property rates		9 649	9 649	9 649	9 649	9 649	9 649	9 649	9 649	9 649	9 649	9 649	9 649	115 785	125 759	147 308
Property rates - penalties & collection charges		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue		25 564	23 154	22 368	22 459	22 599	22 459	22 853	22 882	22 256	22 185	23 845	25 165	277 788	311 794	360 390
Service charges - water revenue		10 576	10 958	14 576	14 576	15 896	15 576	13 576	13 576	13 556	13 557	13 576	12 916	162 916	177 829	201 924
Service charges - sanitation revenue		2 526	2 538	2 542	2 540	2 438	2 497	2 430	2 574	2 416	2 906	2 901	2 545	30 855	33 410	37 272
Service charges - refuse revenue		2 217	2 505	2 598	2 516	2 519	2 546	2 507	2 500	2 501	2 501	2 501	2 598	30 008	32 463	36 098
Service charges - other		513	513	513	513	513	513	513	513	513	513	513	513	6 162	6 495	6 845
Rental of facilities and equipment		108	108	108	108	108	108	108	108	108	108	108	108	1 300	1 370	1 444
Interest earned - external investments			220	180	200	150	145	200	35	146	200	367	157	2 000	2 108	2 222
Interest earned - outstanding debtors		385	383	267	250	315	333	419	419	243	359	320	307	4 000	4 216	4 444
Dividends received		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines		673	1 990	1 022	1 233	1 895	364	1 473	624	1 513	1 210	1 210	1 315	14 523	15 307	16 134
Licences and permits		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Agency services		–	–		–		–	–	–	–	–	–	–	–	–	–
Transfers recognised - operational		39 166	1 426	1 426	1 426	29 749	1 426	1 426	1 426	29 273	1 126	1 026	1 048	109 943	138 027	143 547
Other revenue		1 859	1 859	1 859	1 859	1 859	1 859	1 859	1 859	1 859	1 859	1 859	1 859	22 312	23 155	24 405
Gains on disposal of PPE		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and cont		93 237	55 304	57 109	57 331	87 689	57 477	57 014	56 166	84 034	56 174	57 876	58 180	777 591	871 932	982 033
Expenditure By Type																
Employee related costs		15 420	15 420	15 420	15 420	15 420	15 420	15 420	15 420	15 420	15 420	15 420	15 420	185 039	201 856	223 632
Remuneration of councillors		754	754	754	754	754	754	754	754	754	754	754	754	9 052	9 631	10 248
Debt impairment		2 265	2 265	2 265	2 265	2 265	2 265	2 265	2 265	2 265	2 265	2 265	2 265	27 180	34 596	63 405
Depreciation & asset impairment		10 975	10 975	10 975	10 975	10 975	10 975	10 975	10 975	10 975	10 975	10 975	10 975	131 700	151 873	143 545
Finance charges		85	87	90	89	90	8 900	95	95	95	96	100	8 985	18 806	17 071	14 888
Bulk purchases		24 224	24 361	23 663	25 966	25 109	25 408	20 801	20 080	23 599	22 569	23 636	24 323	283 739	312 674	357 432
Other materials		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Contracted services		4 643	4 643	4 643	4 643	4 643	4 643	4 643	4 643	4 643	4 643	4 643	4 643	55 715	59 484	64 243
Transfers and grants		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other expenditure		9 861	9 861	9 861	9 861	9 861	9 861	9 861	9 861	9 861	9 861	9 861	9 861	118 334	130 715	150 015
Loss on disposal of PPE		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure		68 227	68 366	67 671	69 974	69 117	78 226	64 814	64 093	67 612	66 583	67 654	77 226	829 564	917 900	1 027 408
Surplus/(Deficit)		25 009	(13 062)	(10 562)	(12 643)	18 572	(20 750)	(7 800)	(7 927)	16 422	(10 409)	(9 778)	(19 046)	(51 973)	(45 968)	(45 375)
Transfers recognised - capital													–	–	–	–
Contributions recognised - capital		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Contributed assets		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		25 009	(13 062)	(10 562)	(12 643)	18 572	(20 750)	(7 800)	(7 927)	16 422	(10 409)	(9 778)	(19 046)	(51 973)	(45 968)	(45 375)
Taxation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Attributable to minorities		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Share of surplus/ (deficit) of associate		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	1	25 009	(13 062)	(10 562)	(12 643)	18 572	(20 750)	(7 800)	(7 927)	16 422	(10 409)	(9 778)	(19 046)	(51 973)	(45 968)	(45 375)

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Table 49 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue by Vote																
Vote 1 - executive council		3 345	1 837	1 752	1 719	3 342	1 783	1 738	1 798	3 311	1 741	1 750	1 766	25 882	58 739	108 022
Vote 2 - corporate services		124	124	124	124	124	124	124	124	124	124	124	924	2 285	2 408	2 538
Vote 3 - financial services		13 739	11 056	11 056	11 056	13 739	11 056	11 056	11 056	13 739	11 056	11 056	11 056	140 721	149 257	158 656
Vote 4 - development & planning		157	157	157	157	157	157	157	157	157	157	157	157	1 881	2 583	2 840
Vote 5 - health		576	576	576	576	576	576	576	576	576	576	576	576	6 916	7 289	7 683
Vote 6 - community & social services		4 080	118	118	118	118	118	118	118	118	118	118	236	5 497	6 723	7 082
Vote 7 - public safety		1 265	1 265	1 265	1 265	1 265	1 265	1 265	1 265	1 265	1 265	1 265	1 265	15 178	22 997	16 861
Vote 8 - sport & recreation		3 000		122	122	3 122	122	122	122				0	6 730	4 674	2 683
Vote 9 - environmental protection		250	250	250	250	250	250	250	250	250	250	250	250	3 000	3 162	3 333
Vote 10 - waste water management		9 638	3 638	3 638	3 638	9 638	3 638	3 638	3 638	3 638	3 638	3 638	3 637	55 653	47 520	56 308
Vote 11 - solid waste management		13 659	2 886	2 886	2 886	2 886	2 886	2 886	2 886	2 886	2 886	2 886	2 886	45 404	53 602	52 775
Vote 12 - roads & transport		2 505				2 505				2 505			(0)	7 516	760	4 788
Vote 13 - water services		17 216	12 677	12 677	12 677	17 216	12 677	12 677	12 677	17 216	12 677	12 677	12 708	165 773	185 351	203 976
Vote 14 - electricty		28 235	23 224	23 224	23 224	28 235	23 224	23 224	23 224	28 235	23 224	23 224	23 222	293 715	325 666	353 188
Vote 15 - engineering admin		1 440											–	1 440	1 200	1 300
Total Revenue by Vote		99 229	57 807	57 844	57 811	83 173	57 875	57 829	57 889	74 020	57 711	57 720	58 683	777 591	871 932	982 033
Expenditure by Vote to be appropriated																
Vote 1 - executive council		3 090	3 090	3 090	3 090	3 090	3 090	3 090	3 090	3 090	3 090	3 090	3 090	37 074	58 549	124 738
Vote 2 - corporate services		3 496	3 496	3 496	3 496	3 496	3 496	3 496	3 496	3 496	3 496	3 496	3 497	41 954	44 753	47 140
Vote 3 - financial services		3 911	3 911	3 911	3 911	3 911	3 911	3 911	3 911	3 911	3 911	3 911	3 911	46 937	51 069	54 736
Vote 4 - development & planning		1 656	1 656	1 656	1 656	1 656	1 656	1 656	1 656	1 656	1 656	1 656	1 657	19 874	21 091	22 286
Vote 5 - health		597	597	597	597	597	597	597	597	597	597	597	598	7 168	7 613	8 089
Vote 6 - community & social services		1 288	1 288	1 288	1 288	1 288	1 288	1 288	1 288	1 288	1 288	1 288	1 287	15 450	17 611	17 717
Vote 7 - public safety		3 948	3 948	3 948	3 948	3 948	3 948	3 948	3 948	3 948	3 948	3 948	3 948	47 381	51 338	53 308
Vote 8 - sport & recreation		1 698	1 698	1 698	1 698	1 698	1 698	1 698	1 698	1 698	1 698	1 698	1 698	20 372	23 039	23 418
Vote 9 - environmental protection		250	250	250	250	250	250	250	250	250	250	250	250	3 000	3 162	3 333
Vote 10 - waste water management		3 671	3 671	3 671	3 671	3 671	3 671	3 671	3 671	3 671	3 671	3 671	3 671	44 049	48 497	51 890
Vote 11 - solid waste management		3 975	3 975	3 975	3 975	3 975	3 975	3 975	3 975	3 975	3 975	3 975	3 975	47 700	50 741	53 071
Vote 12 - roads & transport		5 412	5 412	5 412	5 412	5 412	8 643	5 412	5 412	5 412	5 412	5 412	8 643	71 406	75 016	77 212
Vote 13 - water services		9 419	9 419	9 419	9 419	9 419	15 560	9 419	9 419	9 419	9 419	9 419	15 278	125 031	136 286	144 524
Vote 14 - electricty		24 919	24 919	24 919	24 919	24 919	26 052	24 919	24 919	24 919	24 919	24 919	15 080	290 326	313 374	332 850
Vote 15 - engineering admin		987	987	987	987	987	987	987	987	987	987	987	987	11 840	15 761	13 098
Total Expenditure by Vote		68 317	68 317	68 317	68 317	68 317	78 822	68 317	68 317	68 317	68 317	68 317	67 570	829 564	917 900	1 027 408
Surplus/(Deficit) before assoc.		30 912	(10 510)	(10 473)	(10 507)	14 856	(20 947)	(10 488)	(10 428)	5 703	(10 606)	(10 597)	(8 887)	(51 973)	(45 968)	(45 375)
Taxation													–	–	–	–
Attributable to minorities													–	–	–	–
Share of surplus/ (deficit) of associate													–	–	–	–
Surplus/(Deficit)	1	30 912	(10 510)	(10 473)	(10 507)	14 856	(20 947)	(10 488)	(10 428)	5 703	(10 606)	(10 597)	(8 887)	(51 973)	(45 968)	(45 375)

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Table 50 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)

Description	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue - Standard															
Governance and administration	15 424	11 180	11 180	11 180	15 424	11 180	11 180	11 180	15 424	11 180	11 180	11 980	147 689	156 557	166 305
Executive and council	1 561				1 561				1 561			–	4 683	4 891	5 110
Budget and treasury office	13 739	11 056	11 056	11 056	13 739	11 056	11 056	11 056	13 739	11 056	11 056	11 056	140 721	149 257	158 656
Corporate services	124	124	124	124	124	124	124	124	124	124	124	924	2 285	2 408	2 538
Community and public safety	10 706	3 796	3 833	3 792	6 862	3 864	3 818	3 879	3 710	3 700	3 709	3 851	55 520	95 532	137 221
Community and social services	4 080	118	118	118	118	118	118	118	118	118	118	236	5 497	6 723	7 082
Sport and recreation	3 000	–	122	122	3 122	122	122	122	–	–	–	0	6 730	4 674	2 683
Public safety	1 265	1 265	1 265	1 265	1 265	1 265	1 265	1 265	1 265	1 265	1 265	1 265	15 178	22 997	16 861
Housing	1 784	1 837	1 752	1 711	1 781	1 783	1 738	1 798	1 750	1 741	1 750	1 774	21 199	53 848	102 912
Health	576	576	576	576	576	576	576	576	576	576	576	576	6 916	7 289	7 683
Economic and environmental services	2 912	407	407	407	2 912	407	407	407	2 912	407	407	407	12 397	6 505	10 960
Planning and development	157	157	157	157	157	157	157	157	157	157	157	157	1 881	2 583	2 840
Road transport	2 505	–	–	–	2 505	–	–	–	2 505	–	–	(0)	7 516	760	4 788
Environmental protection	250	250	250	250	250	250	250	250	250	250	250	250	3 000	3 162	3 333
Trading services	68 748	42 424	42 424	42 424	57 975	42 424	42 424	42 424	51 975	42 424	42 424	43 893	561 985	613 339	667 546
Electricity	28 235	23 224	23 224	23 224	28 235	23 224	23 224	23 224	28 235	23 224	23 224	24 662	295 155	326 866	354 488
Water	17 216	12 677	12 677	12 677	17 216	12 677	12 677	12 677	17 216	12 677	12 677	12 708	165 773	185 351	203 976
Waste water management	9 638	3 638	3 638	3 638	9 638	3 638	3 638	3 638	3 638	3 638	3 638	3 637	55 653	47 520	56 308
Waste management	13 659	2 886	2 886	2 886	2 886	2 886	2 886	2 886	2 886	2 886	2 886	2 886	45 404	53 602	52 775
Other		–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue - Standard	97 789	57 807	57 844	57 803	83 173	57 875	57 829	57 889	74 020	57 711	57 720	60 131	777 591	871 932	982 033
Expenditure - Standard															
Governance and administration	9 215	9 215	9 215	9 215	9 215	10 137	9 215	9 215	9 215	9 215	9 215	9 215	111 497	119 791	127 264
Executive and council	1 884	1 884	1 884	1 884	1 884	1 884	1 884	1 884	1 884	1 884	1 884	1 884	22 606	23 971	25 390
Budget and treasury office	3 911	3 911	3 911	3 911	3 911	3 911	3 911	3 911	3 911	3 911	3 911	3 911	46 937	51 069	54 736
Corporate services	3 419	3 419	3 419	3 419	3 419	4 342	3 419	3 419	3 419	3 419	3 419	3 419	41 954	44 752	47 139
Community and public safety	8 610	8 610	8 610	8 610	8 610	9 367	8 610	8 610	8 610	8 610	8 610	9 368	104 839	134 180	201 880
Community and social services	1 288	1 288	1 288	1 288	1 288	1 288	1 288	1 288	1 288	1 288	1 288	1 287	15 450	17 611	17 717
Sport and recreation	1 698	1 698	1 698	1 698	1 698	1 698	1 698	1 698	1 698	1 698	1 698	1 698	20 372	23 039	23 418
Public safety	3 822	3 822	3 822	3 822	3 822	4 579	3 822	3 822	3 822	3 822	3 822	4 579	47 381	51 338	53 308
Housing	1 206	1 206	1 206	1 206	1 206	1 206	1 206	1 206	1 206	1 206	1 206	1 206	14 468	34 579	99 348
Health	597	597	597	597	597	597	597	597	597	597	597	598	7 168	7 613	8 089
Economic and environmental services	5 827	5 827	5 827	5 827	5 827	9 058	5 827	5 827	5 827	5 827	5 827	26 958	94 281	99 269	102 831
Planning and development	165	165	165	165	165	165	165	165	165	165	165	18 064	19 875	21 091	22 286
Road transport	5 412	5 412	5 412	5 412	5 412	8 643	5 412	5 412	5 412	5 412	5 412	8 643	71 406	75 016	77 212
Environmental protection	250	250	250	250	250	250	250	250	250	250	250	250	3 000	3 162	3 333
Trading services	41 321	41 321	41 321	41 321	41 321	51 726	41 321	41 321	41 321	41 321	41 321	54 010	518 947	564 659	595 433
Electricity	24 919	24 919	24 919	24 919	24 919	26 052	24 919	24 919	24 919	24 919	24 919	26 920	302 166	329 135	345 948
Water	9 419	9 419	9 419	9 419	9 419	15 560	9 419	9 419	9 419	9 419	9 419	15 278	125 031	136 286	144 524
Waste water management	3 246	3 246	3 246	3 246	3 246	4 946	3 246	3 246	3 246	3 246	3 246	6 645	44 049	48 497	51 890
Waste management	3 737	3 737	3 737	3 737	3 737	5 167	3 737	3 737	3 737	3 737	3 737	5 167	47 700	50 741	53 071
Other	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure - Standard	64 973	64 973	64 973	64 973	64 973	80 288	64 973	64 973	64 973	64 973	64 973	99 551	829 564	917 900	1 027 408
Surplus/(Deficit)	32 816	(7 166)	(7 128)	(7 170)	18 200	(22 413)	(7 143)	(7 083)	9 047	(7 262)	(7 253)	(39 420)	(51 973)	(45 968)	(45 375)

Table 51 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Multi-year expenditure *to be appropriated*	1															
Vote 1 - executive council				192	15			2 890		3 649			–	6 746	20 250	3 069
Vote 2 - corporate services		65	156	220	70	120	37	110					–	753	1 300	1 300
Vote 3 - financial services						140							–	140	50	50
Vote 4 - development & planning				80					15		30		–	125	650	800
Vote 5 - health													–	–	–	–
Vote 6 - community & social services				25			25		300	25			25	400	8 000	3 000
Vote 7 - public safety		44	44	144	144	228	1 044	244	44	44	44	44	44	2 106	8 350	1 350
Vote 8 - sport & recreation			20	1 500	1 000	500		500		500	1 000		1 000	6 020	4 500	2 500
Vote 9 - environmental protection													–	–	–	–
Vote 10 - waste water management			500	1 500	2 695	2 870	500	500	2 000	1 000	1 250		25	12 840	200	5 000
Vote 11 - solid waste management					250		1 800						–	2 050	4 820	–
Vote 12 - roads & transport		500	1 000	1 720	1 500	2 500	1 100		1 000	1 500	1 516		–	12 336	760	4 788
Vote 13 - water services		1 000	1 100	1 050	2 530	1 600	600		1 650	1 500	500	1 700	3 200	16 430	19 500	20 700
Vote 14 - electricty			2 000	1 750	1 620	1 450	1 400	190	2 750	3 800	800	3 250	225	19 260	15 500	20 500
Vote 15 - engineering admin						100	20	50	350	250	250	250	150	1 420	11 000	3 000
Capital multi-year expenditure sub-total	2	1 609	4 820	8 181	9 824	9 508	6 526	4 484	8 109	12 268	5 390	5 244	4 669	80 626	94 880	66 057
Single-year expenditure *to be appropriated*																
Vote 1 - executive council													–	–	–	–
Vote 2 - corporate services					100	250			170				–	520	–	–
Vote 3 - financial services													–	–	–	–
Vote 4 - development & planning													–	–	–	–
Vote 5 - health													–	–	–	–
Vote 6 - community & social services		100	300	550	250	100	500	150	100	100	150	100	100	2 500	–	–
Vote 7 - public safety													–	–	–	–
Vote 8 - sport & recreation		–	350	434			1 020						–	1 804	–	–
Vote 9 - environmental protection													–	–	–	–
Vote 10 - waste water management				120			380						–	500	–	–
Vote 11 - solid waste management													–	–	–	–
Vote 12 - roads & transport					25	22							–	47	–	–
Vote 13 - water services													–	–	–	–
Vote 14 - electricty													–	–	–	–
Vote 15 - engineering admin													–	–	–	–
Capital single-year expenditure sub-total	2	100	650	1 104	375	372	1 900	150	270	100	150	100	100	5 371	–	–
Total Capital Expenditure	2	1 709	5 470	9 285	10 199	9 880	8 426	4 634	8 379	12 368	5 540	5 344	4 769	85 997	94 880	66 057

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Table 52 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)

Description	Ref	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Capital Expenditure - Standard	1															
Governance and administration		65	156	412	185	510	37	3 000	170	3 649	–	–	–	8 184	21 600	4 419
Executive and council				192	15			2 890		3 649			–	6 746	20 250	3 069
Budget and treasury office		65	106	50		140	12	40					–	413	670	670
Corporate services			50	170	170	370	25	70	170				–	1 025	680	680
Community and public safety		144	714	2 653	1 394	828	2 589	894	444	669	1 194	144	1 169	12 830	20 850	6 850
Community and social services		100	400	575	250	100	525	150	400	125	150	100	125	3 000	8 000	3 000
Sport and recreation		–	270	1 934	1 000	500	1 020	500		500	1 000	–	1 000	7 724	4 500	2 500
Public safety		44	44	144	144	228	1 044	244	44	44	44	44	44	2 106	8 350	1 350
Housing													–	–	–	–
Health													–	–	–	–
Economic and environmental services		500	1 000	1 800	1 525	2 522	1 100	–	1 015	1 500	1 546	–	–	12 508	1 410	5 588
Planning and development				80					15		30		–	125	650	800
Road transport		500	1 000	1 720	1 525	2 522	1 100		1 000	1 500	1 516		–	12 383	760	4 788
Environmental protection													–	–	–	–
Trading services		1 000	3 600	4 420	7 095	6 020	4 700	740	6 750	6 550	2 800	5 200	3 600	52 475	51 020	49 200
Electricity			2 000	1 750	1 620	1 550	1 420	240	3 100	4 050	1 050	3 500	400	20 680	26 500	23 500
Water		1 000	1 100	1 050	2 530	1 600	600		1 650	1 500	500	1 700	3 200	16 430	19 500	20 700
Waste water management			500	1 620	2 695	2 870	880	500	2 000	1 000	1 250		–	13 315	200	5 000
Waste management					250		1 800						–	2 050	4 820	–
Other													–	–	–	–
Total Capital Expenditure - Standard	2	1 709	5 470	9 285	10 199	9 880	8 426	4 634	8 379	12 368	5 540	5 344	4 769	85 997	94 880	66 057
Funded by:																
National Government		1 000	1 500	4 550	4 550	4 550	1 020	1 000	3 000	3 000	3 516	–	1 000	28 686	29 880	31 038
Provincial Government		100	100	200	200	200	200	150	–	100		100	100	1 450	–	–
District Municipality													–	–	–	–
Other transfers and grants			200	300		250	300		1 150	500	900	500	200	4 300	12 120	12 120
Transfers recognised - capital		1 100	1 800	5 050	4 750	5 000	1 520	1 150	4 150	3 600	4 416	600	1 300	34 436	42 000	43 158
Public contributions & donations					1 000	550				3 050		2 750	1 200	8 550	9 800	10 000
Borrowing		500	2 000	2 000	2 250	2 100	6 600	50	2 700	1 550	750	1 750	2 150	24 400	18 000	5 000
Internally generated funds		109	1 670	2 235	2 199	2 230	306	3 434	1 529	4 168	374	244	119	18 611	25 080	7 899
Total Capital Funding		1 709	5 470	9 285	10 199	9 880	8 426	4 634	8 379	12 368	5 540	5 344	4 769	85 997	94 880	66 057

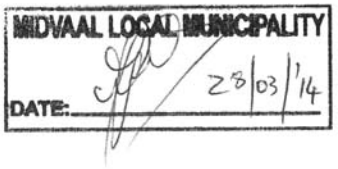
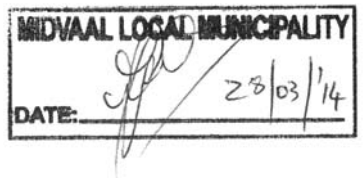


Table 53 MBRR SA30 - Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Cash Receipts By Source													1		
Property rates	10 240	10 240	10 240	10 240	10 240	10 240	10 240	10 240	10 240	10 240	10 240	10 240	122 879	131 583	130 788
Property rates - penalties & collection charges	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	22 548	23 494	21 965	21 358	22 493	22 522	21 696	22 787	21 928	21 756	21 921	22 210	266 676	299 322	345 974
Service charges - water revenue	12 022	12 527	11 711	11 388	11 993	12 008	11 568	12 150	11 692	11 600	11 688	11 842	142 188	154 624	174 612
Service charges - sanitation revenue	2 468	2 468	2 468	2 468	2 468	2 468	2 468	2 468	2 468	2 468	2 468	2 468	29 620	32 074	35 781
Service charges - refuse revenue	2 401	2 401	2 401	2 401	2 401	2 401	2 401	2 401	2 401	2 401	2 401	2 401	28 808	31 164	34 654
Service charges - other	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment	108	108	108	108	108	108	108	108	108	108	108	108	1 300	1 370	1 444
Interest earned - external investments	167	167	167	167	167	167	167	167	167	167	167	167	2 000	2 108	2 222
Interest earned - outstanding debtors	167	167	167	167	167	167	167	167	167	167	167	167	2 000	2 108	2 222
Dividends received	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines	1 210	1 210	1 210	1 210	1 210	1 210	1 210	1 210	1 210	1 210	1 210	1 210	14 523	15 307	16 134
Licences and permits	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Agency services	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfer receipts - operational	25 706	–	–	–	25 706	–	–	–	25 706	–	–	–	77 119	82 502	96 905
Other revenue	1 512	1 512	1 512	1 512	1 512	1 512	1 512	1 512	1 512	1 512	1 512	1 512	18 150	16 660	17 560
Cash Receipts by Source	78 549	54 294	51 949	51 019	78 465	52 804	51 538	53 210	77 600	51 629	51 882	52 325	705 264	768 822	858 295
Other Cash Flows by Source															
Transfer receipts - capital	10 412	–	–	–	10 412	–	–	–	10 412	–	–	–	31 236	40 000	41 158
Contributions recognised - capital & Contributed a	–	–	800	–	3 000	–	–	–	2 750	–	–	–	6 550	20 719	10 830
Proceeds on disposal of PPE	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Short term loans	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	–	–	–	–	–	6 200	–	–	–	–	–	–	6 200	5 000	5 000
Increase (decrease) in consumer deposits												–			
Decrease (Increase) in non-current debtors												–			
Decrease (increase) other non-current receivables												–			
Decrease (increase) in non-current investments												–			
Total Cash Receipts by Source	88 961	54 294	52 749	51 019	91 877	59 004	51 538	53 210	90 762	51 629	51 882	52 325	749 250	834 542	915 283
Cash Payments by Type															
Employee related costs	15 420	15 420	15 420	15 420	15 420	15 420	15 420	15 420	15 420	15 420	15 420	15 420	185 039	201 856	223 632
Remuneration of councillors	754	754	754	754	754	754	754	754	754	754	754	754	9 052	9 631	10 248
Finance charges	108	107	103	100	97	9 174	92	87	83	83	79	8 693	18 806	17 071	14 888
Bulk purchases - Electricity	16 417	17 107	15 993	15 551	16 377	16 399	15 798	16 592	15 967	15 841	15 961	16 172	194 174	214 485	246 600
Bulk purchases - Water & Sewer	7 573	7 891	7 377	7 173	7 554	7 564	7 287	7 653	7 365	7 307	7 362	7 459	89 565	98 189	110 831
Other materials	3 887	3 887	3 887	3 887	3 887	3 887	3 887	3 887	3 887	3 887	3 887	3 887	46 645	50 819	55 431
Contracted services	4 643	4 643	4 643	4 643	4 643	4 643	4 643	4 643	4 643	4 643	4 643	4 643	55 715	59 484	64 243
Transfers and grants - other municipalities	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and grants - other	1 286	1 286	1 286	1 286	1 286	1 286	1 286	1 286	1 286	1 286	1 286	1 286	15 426	19 071	23 950
Other expenditure	4 175	4 175	4 175	4 175	4 175	4 175	4 175	4 175	4 175	4 175	4 175	4 175	50 100	54 331	63 789
Cash Payments by Type	54 263	55 269	53 638	52 988	54 194	63 302	53 342	54 497	53 579	53 395	53 567	62 489	664 523	724 936	813 613
Other Cash Flows/Payments by Type															
Capital assets	1 709	5 470	9 285	10 199	9 880	8 426	4 634	8 379	12 368	5 540	5 344	3 569	84 797	93 580	64 557
Repayment of borrowing	359	360	364	367	370	7 099	375	380	384	384	388	8 771	19 601	20 138	20 216
Other Cash Flows/Payments	324	324	324	324	324	324	324	324	324	324	324	324	3 882	(1 618)	(1 705)
Total Cash Payments by Type	56 654	61 422	63 610	63 878	64 767	79 150	58 673	63 578	66 654	59 642	59 622	75 152	772 802	837 036	896 681
NET INCREASE/(DECREASE) IN CASH HELD	32 307	(7 128)	(10 860)	(12 859)	27 111	(20 147)	(7 135)	(10 369)	24 108	(8 014)	(7 740)	(22 826)	(23 553)	(2 495)	18 602
Cash/cash equivalents at the month/year begin:	55 061	87 369	80 241	69 380	56 521	83 632	63 485	56 349	45 981	70 089	62 075	54 335	55 061	31 509	29 014
Cash/cash equivalents at the month/year end:	87 369	80 241	69 380	56 521	83 632	63 485	56 349	45 981	70 089	62 075	54 335	31 509	31 509	29 014	47 616



2.10 Annual budgets and SDBIPs – internal departments

- The Comprehensive departmental operating budgets are attached as Annexure A2 of the Council item.
- The comprehensive departmental capital budgets are attached as Annexure B of the Council item.
- The comprehensive IDP / SDBIP will be circulated under separate cover, inclusive of all Predetermined Objectives per department.
- The

2.11 Contracts having future budgetary implications

In terms of the City's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

2.12 Capital expenditure details

The following three tables present details of the Municipality's capital expenditure programme, firstly on new assets, then the renewal of assets and finally on the repair and maintenance of assets.

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Table 54 MBRR SA 34a - Capital expenditure on new assets by asset class

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Capital expenditure on new assets by Asset Class/Sub-class									
Infrastructure	107 663	19 391	62 308	43 482	39 199	39 199	33 996	33 260	36 788
Infrastructure - Road transport	42 027	11 160	12 312	9 158	9 908	9 908	7 516	760	4 788
Roads, Pavements & Bridges	42 027	11 160	12 312	9 158	9 908	9 908	7 516	760	4 788
Infrastructure - Electricity	23 547	6 513	18 219	22 984	10 289	10 289	15 070	15 500	12 000
Generation					700	700	5 200	10 000	10 000
Transmission & Reticulation	23 547	6 513	17 022	22 984	6 500	6 500	6 700	5 500	2 000
Street Lighting			1 197		3 089	3 089	3 170		
Infrastructure - Water	5 364	244	9 335	6 800	6 150	6 150	8 600	17 000	18 000
Dams & Reservoirs			400		5 900	5 900	7 500	17 000	18 000
Reticulation	5 364	244	8 935	6 800	250	250	1 100		
Infrastructure - Sanitation	36 725	29	22 442	1 540	12 250	12 250	340	–	–
Reticulation	36 725		22 442	1 540	12 250	12 250	220		
Sewerage purification		29					120		
Infrastructure - Other	–	1 445	–	3 000	602	602	2 470	–	2 000
Waste Management		1 445		1 750					
Other				1 250	602	602	2 470		2 000
Community	1 670	2 111	675	7 300	8 650	8 650	1 550	5 000	–
Sportsfields & stadia					3 250	3 250			
Libraries	260		579	5 050	5 350	5 350	1 500	5 000	
Fire, safety & emergency	408	1 928	95	1 000	50	50			
Cemeteries				1 250		–	50		
Other	1 001	183							
Other assets	24 138	7 252	7 497	8 446	13 264	13 264	16 676	24 670	6 089
General vehicles	247	1 630	3 235	1 460	3 111	3 111	6 190	20 000	931
Specialised vehicles	–	–	–	–	–	–	–	–	–
Plant & equipment	3 476	2 398	496	1 628	7 104	7 104	7 509	1 300	1 500
Computers - hardware/equipment	188	1 028	135	424	275	275	752	60	154
Furniture and other office equipment	742	1 828	974	240	296	296	668	2 710	2 755
Markets								600	750
Other Buildings	1 959		461	150	305	305			
Other Land	8 153		1 833	200	1 423	1 423	220		
Other	9 373	367	362	4 345	751	751	1 337		
Intangibles	–	–	–	–	–	–	25	–	–
Computers - software & programming							25		
Total Capital Expenditure on new assets	133 471	28 753	70 480	59 228	61 113	61 113	52 247	62 930	42 877

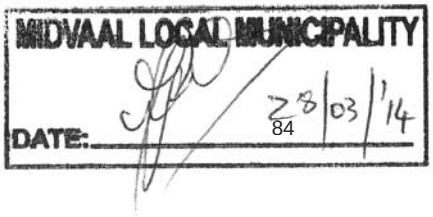


Table 55 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Capital expenditure on renewal of existing assets by Asset Class/Sub-class									
Infrastructure	39 252	10 830	24 807	85 660	23 711	23 711	24 300	6 220	14 700
Infrastructure - Road transport	1 177	–	1 754	13 500	10 746	10 746	4 000	–	–
Roads, Pavements & Bridges	1 177		1 754	13 500	10 746	10 746	4 000		
Infrastructure - Electricity	1 029	–	959	6 100	10 650	10 650	1 350	–	8 500
Generation			959		900	900	1 350		
Transmission & Reticulation	1 029			6 100	9 750	9 750			8 500
Infrastructure - Water	32 338	528	1 615	1 000	1 287	1 287	6 450	1 200	1 200
Dams & Reservoirs		85							
Water purification			532				1 100	1 200	1 200
Reticulation	32 338	444	1 083	1 000	1 287	1 287	5 350		
Infrastructure - Sanitation	3 740	8 643	19 499	63 000	1 029	1 029	12 500	200	5 000
Reticulation	3 052	671	1 748	12 500	429	429	12 500	200	5 000
Sewerage purification	687	7 971	17 751	50 500	600	600			
Infrastructure - Other	968	1 659	979	2 060	–	–	–	4 820	–
Waste Management	968	1 659		60				4 820	
Other			979	2 000					
Community	–	476	1 623	7 500	750	750	6 934	11 500	2 500
Sportsfields & stadia				3 000			6 000	4 500	2 500
Swimming pools							100		
Libraries							450		
Fire, safety & emergency								7 000	
Cemeteries			1 623		750	750			
Other		476		4 500			384		
Other assets	10 056	2 398	824	79	11 333	11 333	2 516	14 230	5 980
General vehicles	2 615				693	693		5 980	5 980
Specialised vehicles	3 960	–	–	–	–	–	–	–	–
Plant & equipment	1 071	346					314		
Computers - hardware/equipment		37	161	79	269	269	52		
Other Buildings	756	2 014	295		10 370	10 370	850	250	
Other	1 655		368				1 300	8 000	
Intangibles	–	–	396	–	–	–	–	–	–
Computers - software & programming			396						
Total Capital Expenditure on renewal of existing	49 308	13 703	27 650	93 239	35 794	35 794	33 750	31 950	23 180

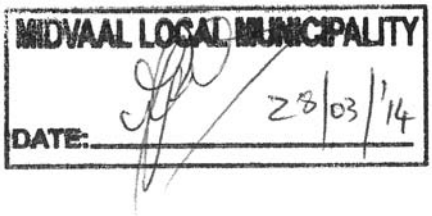
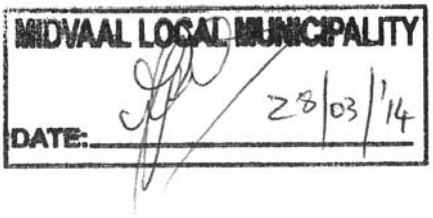


Table 56 MBRR SA34c - Repairs and maintenance expenditure by asset class

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	22 879	24 435	23 922	25 038	25 918	25 918	32 496	35 046	38 014
Infrastructure - Road transport	13 779	20 107	17 354	18 295	18 295	18 295	27 257	29 508	32 159
Roads, Pavements & Bridges	9 774	16 326	17 354	18 295	18 295	18 295	27 257	29 508	32 159
Storm water	4 005	3 781							
Infrastructure - Electricity	–	3 873	3 272	3 026	3 526	3 526	240	269	301
Generation		3 873							
Transmission & Reticulation			3 272	3 026	3 526	3 526	240	269	301
Infrastructure - Water	8 379	–	1 038	1 488	1 488	1 488	1	1	1
Dams & Reservoirs	8 379								
Water purification			235	318	318	318	1	1	1
Reticulation			803	1 170	1 170	1 170			
Infrastructure - Sanitation	714	454	2 637	2 159	2 559	2 559	2 616	2 757	2 906
Reticulation			1 007	609	1 159	1 159			
Sewerage purification	714	454	1 629	1 550	1 400	1 400	2 616	2 757	2 906
Infrastructure - Other	7	–	(379)	70	50	50	2 382	2 510	2 646
Waste Management	7		(379)	70	50	50	2 382	2 510	2 646
Community	943	1 331	–	–	–	–	–	–	–
Other	943	1 331							
Other assets	3 605	3 459	4 754	7 896	8 155	8 155	14 150	15 773	17 417
General vehicles	3 483	3 389	4 107	4 725	4 994	4 994	5 178	5 796	6 492
Computers - hardware/equipment			22	80	80	80	83	93	105
Furniture and other office equipment	122	71	59	381	381	381	380	424	475
Other Buildings			566	2 710	2 700	2 700	8 508	9 459	10 346
Total Repairs and Maintenance Expenditure	27 427	29 225	28 676	32 934	34 073	34 073	46 645	50 819	55 431

Projects that were previously included in the MTREF capital budget and which are now excluded and/or budgeted amounts changed are reflected below:

PROJECT DESCRIPTION	SOURCE OF FINANCE	F01 2014/2015 Previous MTREF	F01 2014/2015 Tabled Budget
Fire Station Vaal Marina (MIG)	MIG	6 000 000,00	-
People Transporter	HP	220 000,00	320 000,00
4 x Slashers	CRR	70 000,00	120 000,00
1 x 3 Ton trucks with canopy (HP)	HP	440 000,00	600 000,00
Upgrade Sewer Pump Stations & Rising Mains	CRR	1 000 000,00	500 000,00
Upgrade of Sewers Sicelo (MIG)	MIG	2 000 000,00	6 000 000,00
Extension to Daleside Sewer (MIG)	MIG	3 000 000,00	6 000 000,00
Skip Bins	CRR	500 000,00	250 000,00
Upgr Walkerville Landfill Site (GS/SA/7089/9/10(MI	MIG	420 000,00	-
Upg Vaalmarina landfill Site (GS/SA/8368/11/12 (M	MIG	2 400 000,00	-
Upg Vaalmarina Trf Station (GS/GA/83621/11/12)(M	MIG	1 100 000,00	-
Gravel to Tar Phase 4 (MIG)	MIG	785 000,00	7 516 000,00
Water tanker	Public Donations	750 000,00	1 200 000,00
Water Meter Revenue Protection Programme	CRR	1 000 000,00	1 100 000,00
Panels and Pumps	CRR	150 000,00	450 000,00
Sicelo/Highbury (Valley Settlements) Reservoir & M	MIG	8 000 000,00	3 000 000,00
Sicelo/Highbury (Valley Settlements) Reservoir & M	External Loans	9 500 000,00	4 500 000,00
Extention to building + equipment (network control c	CRR	600 000,00	530 000,00
High mast lights Sicelo	CRR	1 300 000,00	750 000,00
High mast lights De Deur	CRR	1 600 000,00	1 400 000,00
Energy Efficiency (EEDSMG)	Grants Other (EEDSMG)	5 000 000,00	-
1x TLB (HP)	HP	800 000,00	900 000,00
Sicelo Basic Services (Carryover)	External Loans (C-Over)	8 000 000,00	1 300 000,00



PROJECT DESCRIPTION	SOURCE OF FINANCE	F02 2015/2016 Previous MTREI	F02 2015/2016 Tabled Budget
Lakeside Library	Grants Other (DSRAC)	1 200 000,00	-
2 x 2.0 LDV (New)	HP	420 000,00	-
1 x 3 Ton trucks with canopy (HP)	HP	440 000,00	-
Upgrade Sewer Pump Stations & Rising Mains	CRR	1 000 000,00	-
Upgrade of Sewers Sicelo (MIG)	MIG	4 000 000,00	-
Extension to Daleside Sewer (MIG)	MIG	4 000 000,00	200 000,00
Skip Bins	CRR	500 000,00	-
Upgr Walkerville Landfill Site (GS/SA/7089/9/10(MI	MIG	4 000 000,00	420 000,00
Gravel to Tar Phase 4 (MIG)	MIG	2 039 000,00	760 000,00
Water Meter Revenue Protection Programme	CRR	1 000 000,00	1 200 000,00
Streetlights in general	CRR	250 000,00	-
Upgrade lines in Chrissiesfontein	Developer Contributions	3 500 000,00	-

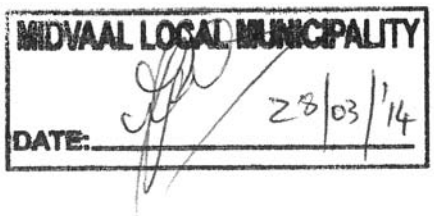
Project amounts were generally changed due the following factors:

- Bids were awarded and more accurate project cost available
- External funding no longer available
- Project completed in previous financial period
- Project delays resulting in budget being moved forward
- RE-prioritisation of projects

Changes in the utilisation of the external loan approved in the 2012/2013 MTREF are as follows:

Project Name	Total as per loan approval	2012/2013 Actual	2013/2014 Adj Budget	2014/2015 Budget	2015/2016 Budget	2016/2017 Budget	Available Amount
Refinancing	12 000 000,00	Refinancing of prior year capital expenditure					-
Jan Neethling Street	9 000 000,00	1 754 385,96	3 245 614,00	6 000 000,00	-	-	-1 999 999,96
Meyerton CBD Upgrade	10 000 000,00	-	10 000 000,00	-	-	-	-
Upgrade Gravel Roads	5 000 000,00	-	2 000 000,00	1 000 000,00	-	-	2 000 000,00
Electricity Sicelo Bulk Network (Erf 78 to 204	3 000 000,00	-	2 000 000,00	1 000 000,00	-	-	-
Electricity Sicelo Reticulation (Erf 204)	6 000 000,00	-	3 500 000,00	2 500 000,00	-	-	-
Water Main	15 000 000,00	-	5 500 000,00	4 500 000,00	5 000 000,00		-
Sicelo Basic Services	10 000 000,00		700 000,00	1 300 000,00	8 000 000,00	-	-
Roads Upgrade Intersections	4 500 000,00		1 500 000,00	3 000 000,00	-	-	-
Henley Weir Pedestrian Bridge	5 500 000,00	-	-	-	-	-	5 500 000,00
TOTAL	80 000 000,00	1 754 385,96	28 445 614,00	19 300 000,00	13 000 000,00	-	5 500 000,04

Ward numbers of projects (excluding equipment / vehicle purchases) for the 2014/2015 capital budget are reflected below:



DIVISION	PROJECT DESCRIPTION	SOURCE OF FINANCE	WARD NUMBER	F01 2014/2015 Tabled Budget
SAVANNA CITY	Servitudes	CRR	Savanna	2 000 000,00
LIBRARIES	Lakeside Library	Giants Other (DSRAC)	Ops requirement	1 200 000,00
LIBRARIES	Furniture & Equipment (Lakeside and Sicelo)	Giants Other (DSRAC)	6	250 000,00
LIBRARIES	HOK Library kitchen upgrade -blinds burglar proofin	Giants Other (DSRAC)	4	150 000,00
LIBRARIES	6 x 3M Library security system (Lakeside and Sicelo	Giants Other (DSRAC)	6	150 000,00
LIBRARIES	New Savannah City Library	Giants Other (DSRAC)	Savanna	300 000,00
LIBRARIES	De Deur roof Upgrade	CRR	11	300 000,00
CEMETRIES	New C Class Cemetary Kookrus	MIG	3	50 000,00
SPORT & RECREATION	Lakeside Sport Centre (MIG)	MIG	6	4 500 000,00
SPORT & RECREATION	Sicelo Football field (MIG)	MIG	10	1 500 000,00
MAIN SEWER	Upgrade Sewer Pump Stations & Rising Mains	CRR	3, 8 & 10	500 000,00
MAIN SEWER	Upgrade of Sewers Sicelo (MIG)	MIG	3, 8 & 10	6 000 000,00
MAIN SEWER	Extension to Daleside Sewer (MIG)	MIG	5	6 000 000,00
MAIN SEWER	Mamello Bulk Sewer Servitude	CRR	1	100 000,00
ROADS & STORMWATER	Upgrade Intersections (Carry Over)	External Loans (C-Over)	14	3 000 000,00
ROADS & STORMWATER	Gravel to Tar Phase 4 (MIG)	MIG	8 & 10	7 516 000,00
ROADS & STORMWATER	Upgrade Gravel Roads (Carry Over)	External Loans (C-Over)	1 & 7	1 000 000,00
ROADS & STORMWATER	Purchase of Erf 1023 Meyerton (servitude)	CRR	14	220 000,00
WATER SERVICES	Sicelo/Highbury (Valley Settlements) Reservoir & M	MIG	4, 5, 8 & 10	3 000 000,00
WATER SERVICES	Sicelo/Highbury (Valley Settlements) Reservoir & M	External Loans	4 & 5	4 500 000,00
WATER SERVICES	Mamello Bulk Water (MIG)	MIG	1	100 000,00
WATER SERVICES	Lakeside Rand Water Connection (upgrade)	Developer Contributions	6	1 000 000,00
ELECTRICITY SERVICES	Streetlights in general	CRR	To be identified	250 000,00
ELECTRICITY SERVICES	Prepay PLC meters	Network connections	To be identified	2 000 000,00
ELECTRICITY SERVICES	Upgrade RI 3 substation	Developer Contributions	13	550 000,00
ELECTRICITY SERVICES	Upgrade S10 substation	Developer Contributions	10	550 000,00
ELECTRICITY SERVICES	Upgrade S16 substation	Developer Contributions	10	250 000,00
ELECTRICITY SERVICES	Danie McLean Park Lighting	CRR	3	20 000,00
ELECTRICITY SERVICES	High mast lights Sicelo	CRR	8 and 10	750 000,00
ELECTRICITY SERVICES	High mast lights De Deur	CRR	11	1 400 000,00
ELECTRICITY SERVICES	Streetlights in Henley on Klip	CRR	4	750 000,00
ELECTRICITY SERVICES	Risiville Substation (Bulk Contribution)	Developer Contributions	2	5 000 000,00
ELECTRICITY SERVICES	Sicelo Bulk Network (Erf 78 to 204) (Carry Over)	External Loans (C-Over)	10	1 000 000,00
ELECTRICITY SERVICES	Sicelo Elec Network (Erf 204) (Carry Over)	External Loans (C-Over)	8	2 500 000,00
ELECTRICITY SERVICES	New OCB at G1 Sub	CRR	All	120 000,00
ELECTRICITY SERVICES	New connections	Network connections	All	1 200 000,00
ENGINEERING ADMIN	Sicelo Basic Services (Carry over)	External Loans (C-Over)	8	1 300 000,00

Table 57 MBRR SA35 - Future financial implications of the capital budget

Vote Description	2014/15 Medium Term Revenue & Expenditure Framework			Forecasts			
R thousand	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Forecast 2017/18	Forecast 2018/19	Forecast 2019/20	Present value
Capital expenditure							
Vote 1 - executive council	6 746	20 250	3 069				
Vote 2 - corporate services	1 000	680	680				
Vote 3 - financial services	413	670	670				
Vote 4 - development & planning	125	650	800				
Vote 5 - health	–	–	–				
Vote 6 - community & social services	2 900	8 000	3 000				
Vote 7 - public safety	2 106	8 350	1 350				
Vote 8 - sport & recreation	7 824	4 500	2 500				
Vote 9 - environmental protection	–	–	–				
Vote 10 - waste water management	13 340	200	5 000				
Vote 11 - solid waste management	2 050	4 820	–				
Vote 12 - roads & transport	12 383	760	4 788				
Vote 13 - water services	16 430	19 500	20 700				
Vote 14 - electricty	20 680	26 500	23 500				
Vote 15 - engineering admin	–	–	–				
Total Capital Expenditure	85 997	94 880	66 057	–	–	–	–
Net Financial Implications	85 997	94 880	66 057	–	–	–	–

MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/14

Table 58 MBRR SA36 - Detailed capital budget per municipal vote

Municipal Vote/Capital project	Program/Project description	Prior year outcomes		2014/15 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome 2012/13	Current Year 2013/14 Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
MUNICIPAL MANAGER	Furniture for Savanna Project Manager		100			
SAVANNA CITY	Computer Hardware/ Equipment/ Furniture		–	6 731	20 000	3 069
SPEAKER'S OFFICE	Laptop/ Building Alterations	18	560	15	250	–
CORPORATE SERVICES ADMIN	Vehicles Replacements/ Computer Equipment	31	1 312	480	680	680
COUNCIL BUILDINGS	Equipment	415	98	75	–	–
IT	Computer Hardware	643	640	470	–	–
MANAGEMENT SERVICES	Building Renovations / Computer Hardware	405	163	273	50	50
FINANCIAL SERVICES	Furniture / Computer Equipment	31	196	140	620	620
DEVELOPMENT & PLANNING ADMIN	Furniture / Computer Equipment		36	125	50	50
LED	Shelters for Informal Traders			–	600	750
LIBRARIES	Libraries / Furniture	1 542	5 450	2 750	5 000	–
CEMETRIES	New C Class Cemetary Kookrus	1 623	750	50	–	–
SOCIAL SERVICES ADMIN	Vehicle / Equipment		183	100	3 000	3 000
FIRE SERVICES	Vehicle / Training Equipment	811	1 351	842	7 000	–
TRAFFIC POLICE	Dragor Alcohol Machine / Vehicles	1 451		1 264	1 350	1 350
PARKS	Plant & Equipment / Vehicles	225	1 384	1 704	–	–
SPORT & RECREATION	Sports Facilities		3 250	6 020	4 500	2 500
SWIMMING POOL	Recreational Facility			100	–	–
MAIN SEWER	Reticulation & Purification	24 391	13 919	12 815	200	5 000
PURIFICATION	Purification	17 770	600	500	–	–
SOLID WASTE MANAGEMENT	Landifill Sites / Vehicles	1 924	3 250	2 050	4 820	–
ROADS & STORMWATER	Roads, Pavements & Bridges	14 066	21 965	12 336	760	4 788
MECHANICAL WORKSHOP	Plant & Equipment / Vehicles	388	373	47	–	–
WATER SERVICES	Reticulation & Purification	10 951	7 437	16 430	19 500	20 700
ELECTRICITY SERVICES	Generation, Transmission & Streetlighting	20 431	23 190	19 260	15 500	20 500
ENGINEERING ADMIN	Computer / Basic Services	1 014	10 700	1 420	11 000	3 000
Parent Capital expenditure				85 997	94 880	66 057
Total Capital expenditure		98 130	96 907	85 997	94 880	66 057

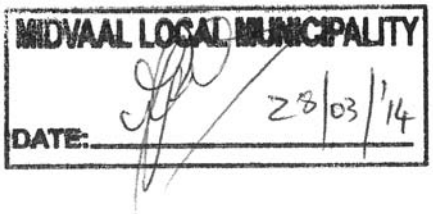
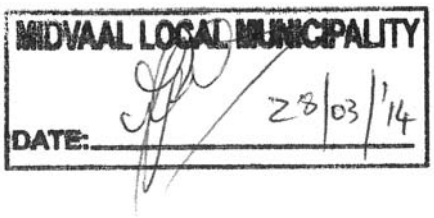


Table 59 MBRR SA37 - Projects delayed from previous financial year

Municipal Vote/Capital project R thousand	Ref. 1,2	Project name	Project number	Asset Class 3	Asset Sub-Class 3	GPS co-ordinates 4	Previous target year to complete Year	Current Year 2013/14 Original Budget	Full Year Forecast	2014/15 Medium Term Revenue & Expenditure Framework Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Parent municipality: *List all capital projects grouped by Municipal Vote*				*Examples*	*Examples*							
SPEAKER'S OFFICE		1 x Vehicle (Rollover)		*Other Assets*	*General Vehicles*				280			
SPEAKER'S OFFICE		Lights (Rollover)		*Other Assets*	*Furniture and Other Office Equipment*				40			
COUNCIL BUILDINGS		Palisade Fencing (Rollover)		*Other Assets*	*Other Buildings*				75			
MANAGEMENT SERVICES		Building Renovations (Rollover)		*Other Assets*	*Other Buildings*				115			
FIRE SERVICES		1 x Fire Cruizer (Rollover)		*Other Assets*	*General Vehicles*				482			
PARKS		1 x 3 Ton trucks with canopy (HP) - (Rollover)		*Other Assets*	*Plant & Equipment*				400			
MAIN SEWER		Tipper Truck (Shared with water) HP - (Rollover)		*Other Assets*	*Plant & Equipment*				500			
MAIN SEWER		Power Rodder - (Rollover)		*Other Assets*	*Plant & Equipment*				60			
MAIN SEWER		Security & Telementary at pump stations (Rollover)		*Other Assets*	*Other*				30			
SOLID WASTE MANAGEMENT		1 x New Compactor (Rollover)		*Other Assets*	*Plant & Equipment*				2 200			
ROADS & STORMWATER		Upgrade of Jan Neethligh Street (TLT) (Rollover)		*Infrastructure - Road Transport*	*Roads, Pavements & Bridges*				3 246			
ROADS & STORMWATER		Purchase of ERF 1009 HOK (Rollovers)		*Other Assets*	*Other Land*				250			
MECHANICAL WORKSHOP		1 x New Vehicle - Aircon Unit (Rollover)		*Other Assets*	*General Vehicles*				13			
WATER SERVICES		Sicelo Water Meters\Connections (Rollover)		*Infrastructure - Water*	*Water Purification*				362			
ELECTRICITY SERVICES		1 x New Land Cruizer (HP) (Rollover)		*Other Assets*	*General Vehicles*				550			
ELECTRICITY SERVICES		Streetlights - Daleside (Rollover)		*Infrastructure - Electricity*	*Street Lighting*				339			
ROADS & STORMWATER		Upgrade Intersections (Carry Over)		*Infrastructure - Road transport*	*Roads, Pavements & Bridges*					3 000		
ROADS & STORMWATER		Upgrade Gravel Roads (Carry Over)		*Infrastructure - Road transport*	*Roads, Pavements & Bridges*					1 000		
ELECTRICITY SERVICES		Sicelo Bulk Network (Erf 78 to 204) (Carry Over)		*Infrastructure - Electricity*	*Transmission & Reticulation*					1 000		
ELECTRICITY SERVICES		Sicelo Elec Network (Erf 204) (Carry Over)		*Infrastructure - Electricity*	*Transmission & Reticulation*					2 500		
ENGINEERING ADMIN		Sicelo Basic Services (Carry over)		*Other Assets*	*Other*					1 300		



2.13 Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

1. **In year reporting**

 Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) and includes monthly published financial performance on the Municipality's website.

2. **Internship programme**

 The Municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department.

3. **Budget and Treasury Office**

 The Budget and Treasury Office has been established in accordance with the MFMA.

4. **Audit Committee**

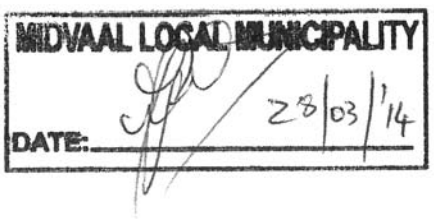
 An Audit Committee has been established and is fully functional.

5. **Service Delivery and Implementation Plan**

 The detail SDBIP document is at a draft stage and will be finalised after approval of the 2014/15 MTREF in May 2014.

6. **Annual Report**

 Annual report is compiled in terms of the MFMA and National Treasury requirements.



2.14 Other supporting documents

Table 60 MBRR Table SA1 - Supporting detail to budgeted financial performance

Description	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand										
REVENUE ITEMS:										
Property rates										
Total Property Rates	111 987	135 980	153 069	168 112	168 112	168 112	112 332	198 809	221 181	268 661
less Revenue Foregone	40 398	45 847	58 716	50 000	59 134	59 134	41 352	68 220	78 660	101 317
Net Property Rates	71 589	90 133	94 353	118 112	108 978	108 978	70 980	130 588	142 521	167 345
Service charges - electricity revenue										
Total Service charges - electricity revenue	154 826	185 503	214 118	242 148	242 148	242 148	155 316	277 788	311 794	360 390
less Revenue Foregone										
Net Service charges - electricity revenue	154 826	185 503	214 118	242 148	242 148	242 148	155 316	277 788	311 794	360 390
Service charges - water revenue										
Total Service charges - water revenue	86 666	100 153	117 586	125 329	128 329	128 329	87 570	162 916	177 829	201 924
less Revenue Foregone								14 804	16 762	20 036
Net Service charges - water revenue	86 666	100 153	117 586	125 329	128 329	128 329	87 570	148 112	161 067	181 887
Service charges - sanitation revenue										
Total Service charges - sanitation revenue	20 524	22 235	24 319	26 277	26 277	25 567	17 148	30 855	33 410	37 272
less Revenue Foregone										
Net Service charges - sanitation revenue	20 524	22 235	24 319	26 277	26 277	25 567	17 148	30 855	33 410	37 272
Service charges - refuse revenue										
Total refuse removal revenue	16 304	17 430	21 316	25 568	25 568	25 568	17 148	30 008	32 463	36 098
less Revenue Foregone	–	–	–	–	–	–	–	–	–	–
Net Service charges - refuse revenue	16 304	17 430	21 316	25 568	25 568	25 568	17 148	30 008	32 463	36 098
Other Revenue by source										
Sundry Income	21 139	15 908	21 815	16 865	18 470	18 470	11 642	15 538	20 665	21 215
Gain of Disposal of Assets	714	106	–	–	–	–	–	–	–	–
Interdepartmental Income	–	3 235	6 122	5 071	5 071	5 071	4 503	6 162	6 495	6 845
Operating Transfers										
Total 'Other' Revenue	21 853	19 249	27 937	21 937	23 541	23 541	16 145	21 700	27 159	28 060
EXPENDITURE ITEMS:										
Employee related costs										
Basic Salaries and Wages	98 689	113 439	125 263	135 136	133 425	133 425	80 691	118 982	132 172	149 489
Pension and UIF Contributions	1 649	1 746	890	2 747	1 303	1 303	628	24 779	26 159	27 833
Medical Aid Contributions	6 345	6 828	7 882	9 442	8 364	8 364	5 366	8 697	9 254	9 845
Overtime	6 370	5 272	6 927	7 122	8 639	8 639	4 657	9 003	9 579	10 192
Performance Bonus	–	–	–	–	–	–	–			
Motor Vehicle Allowance	6 893	7 450	8 221	10 105	10 677	10 677	10 533	8 068	8 323	8 856
Cellphone Allowance	251	251	230	239	228	228	149	1 181	1 245	1 325
Housing Allowances	777	831	829	956	930	930	498	1 022	1 075	1 144
Other benefits and allowances	837	876	928	986	1 338	1 338	646	5 246	5 552	5 908
sub-total	121 812	136 694	151 170	166 732	164 904	164 904	103 168	185 039	201 856	223 632
Less: Employees costs capitalised to PPE										
Total Employee related costs	121 812	136 694	151 170	166 732	164 904	164 904	103 168	185 039	201 856	223 632
Contributions recognised - capital										
Public Contributions	2 828	232	1 680	10 000	1 000	1 000	2 887	5 550	10 500	10 500
Public Donations	143 362	4 358	55 834	–	–	–	–	2 200	11 519	1 830
Government Grants (National)	19 125	30 107	31 006	84 216	36 214	36 214	26 471	28 786	35 000	41 158
Government Grants (Provincial)	1 678	1 693	1 000	100	100	100	100	2 450	5 000	–
Government Grants (Sedibeng)	231	4 001	–	–	–	–	–	–	–	–
Total Contributions recognised - capital	167 225	40 391	89 520	94 316	37 314	37 314	29 458	38 986	62 019	53 488
Depreciation & asset impairment										
Depreciation of Property, Plant & Equipment	112 453	77 423	110 580	117 353	117 353	117 353	68 456	131 700	151 873	143 545
Lease amortisation	–	–	–	–	–	–	–	–	–	–
Capital asset impairment	–	–	–	–	–	–	–	–	–	–
Depreciation resulting from revaluation of PPE	112 453									
Total Depreciation & asset impairment	–	77 423	110 580	117 353	117 353	117 353	68 456	131 700	151 873	143 545
Bulk purchases										
Electricity Bulk Purchases	102 652	138 951	155 478	172 800	172 800	172 800	119 249	194 174	214 485	246 600
Water Bulk Purchases	54 484	60 927	70 182	77 000	80 000	80 000	50 364	89 565	98 189	110 831
Total bulk purchases	157 136	199 878	225 660	249 800	252 800	252 800	169 613	283 739	312 674	357 432
Transfers and grants										
Cash transfers and grants	–	–	–	–	–	–	–	15 426	19 071	23 950
Total transfers and grants	–	–	–	–	–	–	–	15 426	19 071	23 950
Contracted services										
Various as per contract register	43 840	45 058	48 879	60 120	57 668	57 668	30 481	55 715	59 484	64 243
sub-total	43 840	45 058	48 879	60 120	57 668	57 668	30 481	55 715	59 484	64 243
Total contracted services	43 840	45 058	48 879	60 120	57 668	57 668	30 481	55 715	59 484	64 243
Other Expenditure By Type										
Consultant fees	1 490	1 587	2 151	3 556	3 389	3 389	1 183	3 559	3 751	3 954
Audit fees	1 348	1 970	2 787	2 247	2 142	2 142	2 141	2 500	2 635	2 777
General expenses	38 532	35 642	33 197	52 145	52 250	52 250	31 903	42 703	45 271	48 581
repair & maintenance	27 427	29 225	28 676	32 934	34 073	34 073	15 757	46 645	50 819	55 431
sanitation informal settlement								7 500	9 168	15 322
Total 'Other' Expenditure	68 798	68 424	66 811	90 883	91 854	91 854	50 983	102 908	111 644	126 064
Repairs and Maintenance by Expenditure Item										
Employee related costs										
Other materials	27 427	29 225	28 676	32 934	34 073	34 073	15 757	46 645	50 819	55 431
Contracted Services										
Other Expenditure										
Total Repairs and Maintenance Expenditure	27 427	29 225	28 676	32 934	34 073	34 073	15 757	46 645	50 819	55 431

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Table 61 MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)

Description R thousand	Ref 1	Vote 1 - executive council	Vote 2 - corporate services	Vote 3 - financial services	Vote 4 - development & planning	Vote 5 - health	Vote 6 - community & social services	Vote 7 - public safety	Vote 8 - sport & recreation	Vote 9 - environmental protection	Vote 10 - waste water management	Vote 11 - solid waste management	Vote 12 - roads & transport	Vote 13 - water services	Vote 14 - electricty	Vote 15 - engineering admin	Total
Revenue By Source																	
Property rates		3 687	–	126 097	–	–	–	–	–	–	–	–	–	(14 000)	–	–	115 785
Property rates - penalties & collection charges		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue		12 174	–	–	–	–	–	–	–	–	–	–	–	–	265 614	–	277 788
Service charges - water revenue		3 342	–	–	–	–	–	–	–	–	–	–	–	159 574	–	–	162 916
Service charges - sanitation revenue		519	–	–	–	–	–	–	–	–	30 336	–	–	–	–	–	30 855
Service charges - refuse revenue		464	–	–	–	–	–	–	–	–	–	29 544	–	–	–	–	30 008
Service charges - other		–	–	–	–	–	–	–	–	–	35	1 815	–	813	3 499	–	6 162
Rental of facilities and equipment		–	1 300	–	–	–	–	–	–	–	–	–	–	–	–	–	1 300
Interest earned - external investments		–	–	2 000	–	–	–	–	–	–	–	–	–	–	–	–	2 000
Interest earned - outstanding debtors		–	–	4 000	–	–	–	–	–	–	–	–	–	–	–	–	4 000
Dividends received		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines		–	–	–	–	–	23	14 500	–	–	–	–	–	–	–	–	14 523
Licences and permits		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Agency services		670	–	–	–	–	330	–	–	–	–	–	–	2 200	4 550	–	7 750
Other revenue		343	985	575	1 881	–	726	678	165	–	2 067	3 272	–	439	5 018	–	16 150
Transfers recognised - operational		4 683	–	8 049	–	6 916	1 918	–	565	3 000	11 216	10 773	–	13 647	15 033	1 420	77 219
Gains on disposal of PPE		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and con		25 882	2 285	140 721	1 881	6 916	2 997	15 178	730	3 000	43 653	45 404	–	162 673	293 715	1 420	746 455
Expenditure By Type																	
Employee related costs		8 188	21 382	19 654	14 332	3 996	9 793	28 596	9 148	2 041	10 118	16 822	10 382	9 580	13 871	7 137	185 039
Remuneration of councillors		9 052	–	–	–	–	–	–	–	–	–	–	–	–	–	–	9 052
Debt impairment		1 293	–	6 416	–	–	–	–	–	–	1 234	1 200	–	5 924	11 112	–	27 180
Depreciation & asset impairment		1 058	2 187	267	1 179	420	2 251	2 694	2 316	242	10 018	11 735	34 102	6 592	55 719	921	131 700
Finance charges		–	1 100	–	–	–	–	333	182	–	957	670	3 799	7 105	2 934	1 727	18 806
Bulk purchases		5 067	–	–	–	–	–	–	–	–	–	–	–	88 210	190 462	–	283 739
Other materials		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Contracted services		3 151	4 911	9 823	3 162	342	424	11 629	1 842	56	4 378	4 832	2 245	3 189	4 259	1 473	55 715
Transfers and grants		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other expenditure		9 265	12 375	10 777	1 202	2 410	2 983	4 129	6 884	662	17 344	12 441	20 878	4 431	11 970	584	118 334
Loss on disposal of PPE		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure		37 074	41 954	46 937	19 874	7 168	15 450	47 381	20 372	3 000	44 049	47 700	71 406	125 031	290 326	11 840	829 564
Surplus/(Deficit)		(11 192)	(39 669)	93 784	(17 993)	(252)	(12 453)	(32 203)	(19 642)	(0)	(396)	(2 297)	(71 406)	37 642	3 389	(10 420)	(83 109)
Transfers recognised - capital		–	–	–	–	–	2 500	–	6 000	–	12 000	12 000	7 516	3 100	–	20	43 136
Contributions recognised - capital		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Contributed assets		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		(11 192)	(39 669)	93 784	(17 993)	(252)	(9 953)	(32 203)	(13 642)	(0)	11 604	9 703	(63 890)	40 742	3 389	(10 400)	(39 973)

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Table 62 MBRR Table SA3 – Supporting detail to Statement of Financial Position

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
ASSETS											
Call investment deposits											
Call deposits < 90 days		–	–	–	–	–	–	96 973	–	–	–
Other current investments > 90 days		–	–	–	–	–	–	–	–	–	–
Total Call investment deposits	2	–	–	–	–	–	–	96 973	–	–	–
Consumer debtors											
Consumer debtors		72 051	93 460	95 151	81 123	100 480	100 480	156 342	106 107	111 836	117 875
Less: Provision for debt impairment		–	–	–	–	–	–	(63 209)	–	–	–
Total Consumer debtors	2	72 051	93 460	95 151	81 123	100 480	100 480	93 133	106 107	111 836	117 875
Debt impairment provision											
Balance at the beginning of the year											
Contributions to the provision		–	–		–	–	–	(63 209)	–	–	–
Bad debts written off											
Balance at end of year		–	–	–	–	–	–	(63 209)	–	–	–
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)		2 066 639	2 091 290	2 089 699	2 075 942	2 069 254	2 069 254	2 048 590	2 023 551	1 966 557	1 889 069
Leases recognised as PPE	3	–	–	–	–	–	–	–	–	–	–
Less: Accumulated depreciation									–	–	–
Total Property, plant and equipment (PPE)	2	2 066 639	2 091 290	2 089 699	2 075 942	2 069 254	2 069 254	2 048 590	2 023 551	1 966 557	1 889 069
LIABILITIES											
Current liabilities - Borrowing											
Short term loans (other than bank overdraft)		8 543	7 667	8 961	7 667	7 667		8 961	–	–	–
Current portion of long-term liabilities		1 678	2 170	2 841	2 420	2 420		2 841	–	–	–
Total Current liabilities - Borrowing		10 222	9 837	11 802	10 087	10 087	–	11 802	–	–	–
Trade and other payables											
Trade and other creditors		79 119	84 147	72 065	89 546	76 389	81 742	58 183	82 897	87 374	92 092
Unspent conditional transfers		4 246	–	–	–	–	24 688	–	–	–	–
VAT		–	8 867	10 702	–	11 301	11 301	93 043	11 934	12 578	13 257
Total Trade and other payables	2	83 364	93 015	82 767	89 546	87 690	117 731	151 226	94 831	99 952	105 349
Non current liabilities - Borrowing											
Borrowing	4	116 486	108 821	120 145	156 730	156 730	181 597	148 353	166 376	146 237	126 022
Finance leases (including PPP asset element)		8 619	8 497	6 921	9 475	9 475	17 363	10 225	16 953	21 953	26 953
Total Non current liabilities - Borrowing		125 105	117 318	127 065	166 205	166 205	198 959	158 578	183 328	168 190	152 974
Provisions - non-current											
Retirement benefits		–	28 714	36 414	–	5 000	5 000	36 414	5 280	5 565	5 866
List other major provision items											
Refuse landfill site rehabilitation		–	–	–	–	–	–	–	–	–	–
Other		20 718	27 490	41 327	25 930	43 641	43 641	41 327	46 085	48 574	51 196
Total Provisions - non-current		20 718	56 204	77 741	25 930	48 641	48 641	77 741	51 365	54 139	57 062
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance		1 893 009	2 001 331	1 988 758	1 942 541	2 018 912	1 976 382	1 856 451	1 946 637	1 894 664	1 848 695
GRAP adjustments											
Restated balance		1 893 009	2 001 331	1 988 758	1 942 541	2 018 912	1 976 382	1 856 451	1 946 637	1 894 664	1 848 695
Surplus/(Deficit)		57 765	(20 035)	10 975	207	(54 433)	(54 433)	46 066	(51 973)	(45 968)	(45 373)
Appropriations to Reserves		(3 883)	(4 359)	(11 822)	–	–	–	–	–	–	–
Transfers from Reserves		–	–	–	–	–	–	–	–	–	–
Depreciation offsets											
Other adjustments		–									
Accumulated Surplus/(Deficit)	1	1 946 891	1 976 937	1 987 912	1 942 748	1 964 480	1 921 949	1 902 517	1 894 665	1 848 696	1 803 321
Reserves											
Housing Development Fund		–	–	–	–	–	–	–	–	–	–
Capital replacement		–	–	–	–	–	–	–	–	–	–
Self-insurance		–	–	–	–	–	–	–	–	–	–
Other reserves		–	–	–	–	–	–	–	–	–	–
Revaluation		–	–	–	–	–	–	–	–	–	–
Total Reserves	2	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	1 946 891	1 976 937	1 987 912	1 942 748	1 964 480	1 921 949	1 902 517	1 894 665	1 848 696	1 803 321

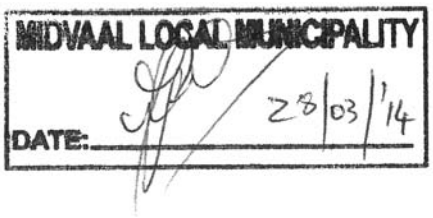


Table 63 MBRR Table SA9 – Social, economic and demographic statistics and assumptions

Description of economic indicator	Ref.	2010/11	2011/12	2012/13	Current Year 2013/14	2014/15 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics								
Population		95 301	95 301	95 301	95 301	95 301	95 301	95 301
Females aged 5 - 14		6 717	6 717	6 717	6 717	6 717	6 717	6 717
Males aged 5 - 14		7 011	7 011	7 011	7 011	7 011	7 011	7 011
Females aged 15 - 34		16 080	16 080	16 080	16 080	16 080	16 080	16 080
Males aged 15 - 34		17 970	17 970	17 970	17 970	17 970	17 970	17 970
Unemployment		8 619	8 619	8 619	8 619	8 619	8 619	8 619
Monthly household income (no. of households)	1, 12							
No income		4 350	4 350	4 350	4 350	4 350	4 350	4 350
R1 - R1 600		6 867	6 867	6 867	6 867	6 867	6 867	6 867
R1 601 - R3 200		4 917	4 917	4 917	4 917	4 917	4 917	4 917
R3 201 - R6 400		3 720	3 720	3 720	3 720	3 720	3 720	3 720
R6 401 - R12 800		3 078	3 078	3 078	3 078	3 078	3 078	3 078
R12 801 - R25 600		3 273	3 273	3 273	3 273	3 273	3 273	3 273
R25 601 - R51 200		2 496	2 496	2 496	2 496	2 496	2 496	2 496
R52 201 - R102 400		933	933	933	933	933	933	933
R102 401 - R204 800		195	195	195	195	195	195	195
R204 801 - R409 600		135	135	135	135	135	135	135
R409 601 - R819 200								
> R819 200								
Poverty profiles (no. of households)								
< R2 060 per household per month	13	6 862	6862.00	6862.00	6862.00	6862.00	6862.00	6862.00
Insert description	2							
Household/demographics (000)								
Number of people in municipal area		95	95	95	95	95	95	95
Number of poor people in municipal area								
Number of households in municipal area								
Number of poor households in municipal area								
Definition of poor household (R per month)								

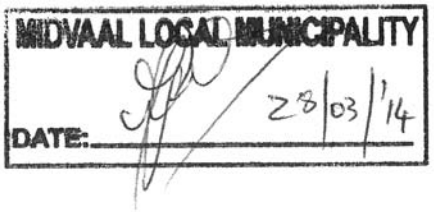


Table 64 MBRR SA32 – List of external mechanisms

External mechanism Name of organisation	Yrs/ Mths	Period of agreement 1. Number	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2. R thousand
N/A					

2.15 Municipal manager's quality certificate

I ASA DE KLERK....., municipal manager of Midvaal, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name **ASA DE KLERK**

Municipal manager of Midvaal (GT422)

Signature _____

Date **24 March 2014**

MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/14

TOTAL

FINANCIAL PERIOD	F-03 2010/2011 AUDITED ACTUAL	F-02 2011/2012 AUDITED ACTUAL	F-01 2012/2013 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 ACTUAL YTD (Feb)	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
INCOME									
Property Rates	111 987 174	135 979 805	153 069 163	168 111 500	168 111 500	112 332 151,56	198 808 512	221 181 413	268 661 123
Less: Income Foregone - Ass Rates Residential Rebate	-	-	-	-	-17 000 000	-11 041 450,99	-35 295 165	-40 643 413	-51 244 155
Less: Income Foregone - Ass Rates Res Impr Rebate	-	-	-	-	-38 000 000	-27 832 400,60	-32 924 958	-38 016 920	-50 072 345
Less: Income Foregone - Pensioners Rebate	-	-	-	-	-593 000	-402 783,82	-	-	-
Less: Income Foregone - Indigent Subsidy	-	-	-	-	-3 418 724	-2 000 517,58	-	-	-
Less: Income Foregone - Other	-40 398 351	-45 846 965	-58 716 050	-50 000 000	-122 000	-75 024,87	-	-	-
Sub-Total: Property Rates	**71 588 823**	**90 132 840**	**94 353 113**	**118 111 500**	**108 977 776**	**70 979 973,70**	**130 588 389**	**142 521 080**	**167 344 623**
Electricity: Basic	10 142 705	12 211 096	14 707 864	16 820 464	16 820 464	10 552 162,49	20 660 457	23 862 585	32 292 352
Electricity Sales	105 807 013	127 191 004	146 223 053	168 032 951	168 032 951	108 061 086,08	184 891 162	197 833 543	211 681 891
Electricity Sales: Pre-paid	38 876 774	46 101 202	53 018 762	57 294 621	57 294 621	36 702 570,63	72 236 362	90 097 540	116 415 457
Less: Income Foregone	-	-	-	-	-	-	-	-	-
Sub-Total: Electricity Sales	**154 826 492**	**185 503 302**	**213 949 679**	**242 148 036**	**242 148 036**	**155 315 819,20**	**277 787 981**	**311 793 668**	**360 389 700**
Refuse Removal: General	14 391 719	15 972 675	18 785 096	22 670 333	22 670 333	15 500 996,69	26 273 430	28 466 609	31 822 155
Refuse Removal: Special	1 912 246	1 456 977	2 530 818	2 897 662	2 897 662	1 646 902,75	3 734 950	3 996 396	4 276 144
Sub-Total: Refuse Removal	**16 303 965**	**17 429 652**	**21 315 914**	**25 567 995**	**25 567 995**	**17 147 899,44**	**30 008 380**	**32 463 005**	**36 098 299**
Sewerage: Additional	10 351 108	11 191 076	12 152 890	13 127 369	13 127 369	8 948 238,23	15 426 801	16 713 643	18 680 322
Sewerage: Basic	10 173 172	11 043 717	12 165 863	13 149 635	13 149 635	8 982 927,51	15 427 724	16 696 379	18 591 589
Sub-Total: Sewerage	**20 524 280**	**22 234 793**	**24 318 753**	**26 277 004**	**26 277 004**	**17 931 165,74**	**30 854 525**	**33 410 022**	**37 271 911**
Water: Basic	7 560 775	8 220 529	9 046 514	9 830 783	9 830 783	6 585 542,93	11 346 188	12 421 764	14 374 329
Water Sales	78 968 748	91 759 234	108 371 768	115 290 060	118 290 060	80 883 398,94	151 338 074	165 158 872	187 283 719
Water Sales: Pre-paid	136 589	173 349	168 006	207 760	207 760	101 062,13	231 989	248 228	265 604
Less: Income Foregone	-	-	-	-	-	-	-14 803 786	-16 761 797	-20 036 236
Sub-Total: Water Sales	**86 666 112**	**100 153 112**	**117 586 288**	**125 328 603**	**128 328 603**	**87 570 004,00**	**148 112 465**	**161 067 067**	**181 887 416**
Sub-Total: User Charges for Services	**278 320 848**	**325 320 859**	**377 170 635**	**419 321 638**	**422 321 638**	**277 964 888,38**	**486 763 351**	**538 733 762**	**615 647 326**
Development Contributions	2 828 447	232 173	1 679 904	10 000 000	1 000 000	2 886 850,52	2 350 000	8 500 000	8 500 000
New Connection Fees (Capex)	-	-	-	-	-	-	3 200 000	2 000 000	2 000 000
Sub-Total: Public Contributions	**2 828 447**	**232 173**	**1 679 904**	**10 000 000**	**1 000 000**	**2 886 850,52**	**5 550 000**	**10 500 000**	**10 500 000**
Public Donations (Capital Infrastructure)	142 131 705	3 837 377	55 714 394	-	-	-	1 200 000	1 300 000	1 500 000
Other Cash Donations and Contributions (Opex)	1 229 972	520 835	119 605	-	-	-	999 941	10 219 476	330 000
Sub-Total: Public Donations	**143 361 677**	**4 358 212**	**55 833 999**	**-**	**-**	**-**	**2 199 941**	**11 519 476**	**1 830 000**
Financial Management Grant	-	-	37 000	7 058 000	55 698	9 057 700,00	100 000	120 000	120 000
Municipal Infrastructure Grant	16 626 841	21 253 367	26 711 000	27 158 000	27 158 000	17 413 320,00	28 686 000	29 880 000	31 038 000
Regional Bulk Infrastructure Grant	-	6 253 397	4 258 161	50 000 000	-	-	-	-	-
Efficient Energy Demand Management Side Grant	-	-	-	-	9 000 000	-	-	5 000 000	10 000 000
Other National Capex Grants	2 498 205	2 600 000	-	-	-	-	-	-	-
Sub-Total: National Grants (Capex)	**19 125 046**	**30 106 764**	**31 006 161**	**84 216 000**	**36 213 698**	**26 471 020,00**	**28 786 000**	**35 000 000**	**41 158 000**
Municipal Infrastructure Grant	704 019	868 311	1 000 000	1 100 000	1 100 000	706 680,00	1 150 000	1 200 000	1 300 000
Equitable Share Grant	36 392 000	42 755 000	47 515 000	50 957 000	50 957 000	38 222 601,89	56 033 000	63 009 000	70 961 000
Municipal Systems Improvement Grant	1 000 000	800 000	1 000 000	890 000	890 000	890 000,00	934 000	967 000	1 018 000
Financial Management Grant	1 000 000	1 250 000	1 213 000	1 242 000	1 244 302	1 242 000,00	1 350 000	1 380 000	1 580 000
EPWP Grant	-	298 620	1 000 000	1 000 000	1 000 000	1 000 000,00	1 135 000	-	-
Specific Contribution towards Councillors (Equitable Share	1 056 000	1 624 000	3 318 000	3 716 000	3 716 000	2 787 398,11	4 683 000	4 891 000	5 110 000
Other National Opex Grants	-	-	-	-	-	-	-	-	-
Sub-Total: National Grants (Opex)	**40 152 019**	**47 595 931**	**55 046 000**	**58 905 000**	**58 907 302**	**44 848 680,00**	**65 285 000**	**71 447 000**	**79 969 000**
HIV Programme Grant	73 147	284 015	185 000	269 143	269 143	-	287 983	303 534	319 925
Environmental Subsidy Grant	2 437 461	2 575 201	1 854 735	3 117 201	3 117 201	1 083 268,78	3 000 000	3 162 000	3 332 748
Sedibeng Capital Grants	231 040	4 000 940	-	-	-	-	-	-	-
Sub-Total: District Municipality Grants	**2 741 648**	**6 860 156**	**2 039 735**	**3 386 344**	**3 386 344**	**1 083 268,78**	**3 287 983**	**3 465 534**	**3 652 673**
DSRAC Grant	1 678 330	1 692 689	1 000 000	100 000	100 000	100 000,00	2 450 000	5 000 000	-
Other Provincial Capex Grants	-	-	-	-	-	-	-	-	-
Sub-Total: Provincial Grants (Capex)	**1 678 330**	**1 692 689**	**1 000 000**	**100 000**	**100 000**	**100 000,00**	**2 450 000**	**5 000 000**	**-**
Provincial Health Subsidy	5 221 546	4 400 212	4 674 378	6 493 823	6 493 823	2 417 214,05	6 915 919	7 289 378	7 683 006
DSRAC Grant	2 474 793	1 962 713	2 440 000	2 500 000	2 500 000	2 500 000,00	1 630 000	300 000	5 600 000
Other Provincial Opex Grants	51 975	-	-	-	-	-	-	-	-
Sub-Total: Provincial Grants (Opex)	**7 748 313**	**6 362 925**	**7 114 378**	**8 993 823**	**8 993 823**	**4 917 214,05**	**8 545 919**	**7 589 378**	**13 283 006**
Sub-Total: Government Grants and Subsidies	**71 445 356**	**92 618 465**	**96 206 274**	**155 601 167**	**107 601 167**	**77 420 182,83**	**103 254 288**	**122 501 912**	**138 062 679**

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Fines	10 440 424	10 439 574	7 020 165	9 000 000	14 000 000	9 290 342,24	14 523 000	15 307 242	16 133 833
Sub-Total: Fines	**10 440 424**	**10 439 574**	**7 020 165**	**9 000 000**	**14 000 000**	**9 290 342,24**	**14 523 000**	**15 307 242**	**16 133 833**
Interest on Debtors Accounts	6 820 180	7 687 719	7 119 810	7 199 520	5 199 520	3 088 175,91	4 000 000	4 216 000	4 443 664
Interest on Bank and Investments	774 806	1 157 217	2 036 636	1 800 000	2 800 000	2 243 749,20	2 000 000	2 108 000	2 221 832
Sub-Total: Interest Received	**7 594 986**	**8 844 936**	**9 156 446**	**8 999 520**	**7 999 520**	**5 331 925,11**	**6 000 000**	**6 324 000**	**6 665 496**
Rent of Facilities and Equipment	534 040	1 534 595	1 329 612	1 020 000	1 270 000	604 429,81	1 300 000	1 370 200	1 444 191
Sub-Total: Rent of Facilities and Equipment	**534 040**	**1 534 595**	**1 329 612**	**1 020 000**	**1 270 000**	**604 429,81**	**1 300 000**	**1 370 200**	**1 444 191**
Access to Information / Copies / Faxes	69 659	66 868	53 076	68 900	68 900	30 803,26	50 000	52 700	55 546
Cemetery Income	513 700	483 788	482 033	614 800	614 800	345 387,90	651 688	686 879	723 971
Cleaning of Stands	64 945	-1 316	19 807	90 100	90 100	61 160,80	95 506	100 663	106 099
Impounding of Vehicles	-	-	3 884	530	530	1 116,00	562	592	624
Lost and Damaged Library Material	5 930	4 476	5 892	5 300	5 300	2 226,70	5 618	5 921	6 241
New Connection Fees (Opex)	9 284 163	2 689 200	5 635 616	3 423 800	3 423 800	1 735 613,55	340 000	358 360	377 711
Lost Tokens	526	439	570	1 113	1 113	315,78	1 178	1 241	1 308
Valuation Roll Enquiries	1 404	877	-	848	848	-	898	946	998
Sundry Income	675 150	598 084	3 104 851	463 400	463 354	855 914,01	806 882	488 524	514 907
Surplus Cash	822	2 666	2 173	3 180	3 180	3 529,90	3 370	3 552	3 744
SCM Tender Deposits	86 416	64 649	109 900	68 900	68 900	63 950,00	73 034	76 978	81 135
Deposit Road Closure	868 202	542 981	-	-	-	-	-	-	-
Recovered Legal Costs	18 730	48 096	41 661	32 000	232 000	24 536,05	50 000	52 700	55 546
Telephone Income	78 721	141 522	143 419	130 000	130 000	107 947,66	180 000	189 720	199 965
Dishonoured Cheques	6 458	3 792	2 219	4 000	4 000	1 796,00	4 240	4 469	4 710
Advertising / Signs / Billboards	72 600	36 086	68 797	42 102	167 102	195 019,39	125 000	131 750	138 865
Reconnection Fees	3 273 028	3 417 898	4 884 522	3 816 000	4 816 000	3 371 092,72	5 000 000	5 270 000	5 554 580
Traffic Escorts	42 833	37 181	30 316	40 000	40 000	42 723,19	42 400	44 690	47 103
Vacuum Tank Services	1 650 444	1 555 519	1 427 843	1 949 660	1 949 660	802 913,18	2 066 639	2 178 238	2 295 862
Permits	-	17 729	54 491	30 000	30 000	19 251,77	31 800	33 517	35 327
Building Plan Copies	17 160	19 948	26 612	20 140	40 000	35 389,21	40 000	42 160	44 437
Building Plan Fees	1 103 109	1 215 892	1 567 984	1 484 000	1 484 000	919 968,12	1 500 000	1 581 000	1 666 374
Clearance / Valuation Certificates	59 467	91 452	-	100 000	100 098	88 139,92	106 000	111 724	117 757
Entrance Fees	55 179	64 010	94 222	65 700	70 000	90 882,00	69 642	73 403	77 366
Final Reading Fees	98 826	88 948	102 796	103 880	103 880	82 453,56	110 258	116 212	122 488
Membership Fees	1 655	912	1 004	950	1 304	1 496,31	1 400	1 476	1 555
Meter Test Fees	3 135	3 855	4 972	5 736	5 736	4 500,00	6 406	6 752	7 117
Planning Fees	220 062	229 248	222 410	265 000	240 000	199 320,66	265 000	279 310	294 393
Services Charges	461 408	1 286 885	384 426	100 000	200 000	265 897,37	450 000	474 300	499 912
Disposal Fees (Landfill Site)	1 891 979	2 435 579	2 538 267	2 940 000	2 940 000	1 815 049,03	3 116 400	3 284 686	3 462 059
Rehabilitation (Landfill Site)	102 307	132 942	138 981	147 000	147 000	93 796,92	155 820	164 234	173 103
SETA Refunds	411 285	627 634	662 708	848 000	1 028 000	379 846,79	800 000	843 200	888 733
Sub-Total: Other Income	**21 139 303**	**15 907 840**	**21 815 451**	**16 865 039**	**18 469 605**	**11 642 037,75**	**16 149 741**	**16 659 897**	**17 559 536**
Gain on Disposal of Assets	713 844	105 669	-	-	-	-	-	-	-
Sub-Total: Gains on Disposal of Assets	**713 844**	**105 669**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL OPERATING INCOME	**607 967 748**	**549 495 163**	**664 565 599**	**738 918 864**	**681 639 706**	**456 120 630,34**	**771 429 324**	**865 437 569**	**975 187 684**
Departmental Charges: Electricity	-	1 166 988	3 971 296	1 517 094	1 517 094	2 842 935,06	1 696 868	1 788 499	1 885 078
Departmental Charges: Sewerage	-	39 643	57 359	32 226	32 226	195 481,38	34 801	36 680	38 661
Departmental Charges: Water	-	493 029	1 073 152	709 940	709 940	642 487,06	812 704	856 590	902 846
Departmental Charges: Refuse	-	264 708	1 019 888	1 111 667	1 111 667	822 520,81	1 814 920	1 912 926	2 016 224
Departmental Charges: Street Lighting	-	1 270 714	-	1 700 556	1 700 556	-	1 802 589	1 899 929	2 002 525
Sub-Total: Departmental Charges	**-**	**3 235 082**	**6 121 695**	**5 071 483**	**5 071 483**	**4 503 424,31**	**6 161 882**	**6 494 624**	**6 845 334**
NET OPERATING INCOME	**607 967 748**	**552 730 246**	**670 687 294**	**743 990 347**	**686 711 189**	**460 624 054,65**	**777 591 206**	**871 932 193**	**982 033 018**
		-700						12,13%	12,63%

FINANCIAL PERIOD	F-03 2010/2011 AUDITED ACTUAL	F-02 2011/2012 AUDITED ACTUAL	F-01 2012/2013 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 ACTUAL YTD (Feb)	F01 2014/15 TABLED BUDGET	F01 2014/15 TABLED BUDGET	F01 2014/15 TABLED BUDGET
EXPENDITURE									
Acting Allowance	-7 579	-	-	553 277	569 300	-	822 000	874 608	930 581
Basic Salaries	75 217 286	89 356 012	97 820 024	104 577 486	102 870 987	65 434 952,23	118 160 045	131 298 614	148 559 510
Housing Subsidy	777 463	831 096	828 523	967 600	941 772	505 270,77	[illegible]	[illegible]	1 143 531
Industrial Council Levy	27 889	28 388	42 453	49 680	51 187	30 905,45	[illegible]	[illegible]	67 811

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Leave Bonus	6 380 147	6 966 271	6 890 203	7 919 040	7 056 578	4 835 062,36	8 061 019	8 495 961	9 039 700
Overtime	6 370 407	5 271 580	6 927 023	7 122 000	8 058 843	4 339 899,53	8 622 963	9 174 832	9 762 023
Shift Overtime	-	-	-	-	580 000	316 912,33	380 000	404 320	430 197
Redemption of Leave	984 152	346 727	1 108 265	798 489	845 945	498 072,19	842 662	896 594	953 974
Standby Allowance	1 635 858	1 933 822	2 127 789	2 349 000	2 714 239	1 573 729,23	2 600 000	2 766 400	2 943 449
Telephone Allowance	880 468	920 252	927 751	973 620	1 150 335	733 625,68	1 181 210	1 245 317	1 325 017
Travelling Allowance	5 222 716	5 472 607	6 093 539	7 203 000	7 413 932	4 523 642,32	8 067 700	8 323 354	8 856 047
UIF	698 855	725 920	847 419	1 286 861	1 267 588	619 124,96	1 031 668	1 088 170	1 157 813
Skills Development Levy	-	-	1 143 154	-	1 408 764	835 212,27	1 464 934	1 533 360	1 631 497
Group Insurance	251 005	251 307	230 041	238 739	228 265	149 176,88	277 673	290 556	309 151
Medical Aid Fund	6 344 910	6 827 900	7 882 101	9 441 809	8 363 568	5 463 603,05	8 697 370	9 254 003	9 846 258
Pension Fund	16 107 311	16 770 107	18 301 409	21 824 328	21 382 331	13 308 552,53	23 747 479	25 071 128	26 675 683
Remuneration of Councillors									
Allowances of Councillors	4 978 793	7 066 526	7 522 299	9 235 555	8 920 623	5 477 999,23	8 432 058	8 971 710	9 545 899
Telephone Allowance: Councillors	253 806	363 903	352 652	472 639	456 522	374 591,00	620 000	659 680	701 900
Sub-Total: Remuneration of Employees and Councillors	**126 123 487**	**143 132 419**	**159 044 644**	**175 013 123**	**174 280 779**	**109 020 332,01**	**194 091 105**	**211 487 081**	**233 880 041**
Audit Fees	1 348 264	1 970 009	2 787 065	2 247 200	2 141 806	2 140 824,99	2 500 000	2 635 000	2 777 290
Bank Charges	1 104 431	1 092 414	1 234 066	947 410	902 976	673 403,35	1 445 665	1 587 810	2 024 031
Bursaries and Student Practical Work	11 674	64 802	57 734	72 858	70 378	63 720,79	400 378	421 998	444 786
Compensation for Injuries and Diseases	-	545 200	530 000	850 000	828 000	827 319,38	828 000	872 712	919 838
Computer Requirements / Services	186 200	288 126	230 046	383 904	367 193	118 524,62	373 865	393 348	414 585
Congresses / Professional Meetings	649 519	1 075 100	975 330	1 115 118	1 193 775	882 362,19	1 215 489	1 277 209	1 346 183
Connections	2 111 694	2 286 528	1 939 072	3 324 425	3 335 075	845 057,99	3 335 075	3 515 169	3 704 988
Disconnections and Reconnections	-	-	-	1 023	975	-	975	1 028	1 083
Elections	95 864	-	-	-	500 000	-	-	-	-
Cash Collection	167 525	261 800	163 402	276 183	263 230	111 004,62	263 230	277 444	292 426
Fuel Miscellaneous	3 859 953	4 968 003	5 829 513	5 445 971	1 933 468	1 506 454,48	-	-	-
Employee Assistance Programme	14 315	11 387	-19 328	42 962	40 947	-14 731,28	40 947	43 158	45 489
Fleet - Fuel	-	-	-	-	3 393 605	2 553 240,91	5 059 460	5 518 633	6 209 780
Fleet - Oil	-	-	-	-	40 666	3 561,39	43 755	46 117	48 609
Fuel Miscellaneous	-	-	-	-	578 973	183 974,81	769 614	811 174	854 977
Fleet - E-toll	-	-	-	-	-	-	52 000	54 808	57 767
Medical Expenses	5 378	5 633	23 789	61 280	408 406	364 692,46	436 917	460 511	485 377
Lease Agreements	3 686	11 004	108	3 673 456	3 282 517	2 070 040,39	-	-	-
Entertainment	177 495	215 681	205 684	278 719	300 815	171 255,19	337 596	355 825	375 040
HIV Programme	73 147	292 255	4 881	214 230	204 182	49 556,84	297 640	313 712	330 653
Legal Expenses	1 490 366	1 586 651	2 151 202	3 556 250	3 389 462	1 182 670,30	3 558 935	3 751 118	3 953 677
License Fees	408 749	378 878	496 619	711 446	671 367	215 137,00	699 867	737 658	777 494
Long Service Recognition Awards	-	57 933	100 720	115 800	110 369	99 326,92	110 369	116 329	122 611
Mayoral Donations	79 264	224 666	237 010	206 137	196 469	207 926,07	196 469	207 078	218 261
Marketing / Promotions / Advertisements	1 198 471	719 084	1 323 307	1 378 769	1 315 284	531 686,79	1 254 546	1 306 482	1 377 031
Membership Fees	663 905	356 747	503 785	3 285 058	3 130 989	2 736 441,58	1 707 063	1 799 245	1 896 404
Nutritional Care	-	-	-	29 998	28 591	-	28 591	30 135	31 761
Occupational Safety	80 947	219 367	283 158	386 240	354 132	24 174,37	380 727	405 839	437 583
Pauper / Indigent Burials	71 800	100 250	116 900	193 000	183 948	114 100,00	183 948	193 881	204 351
Periodicals / Reference Books / Magazines	195 625	154 252	56 251	435 266	417 516	126 078,99	478 368	503 302	530 479
Postage	886 384	1 004 197	955 039	984 174	928 017	519 421,63	974 419	1 027 038	1 082 498
Pest Control	2 324	-	228	11 872	11 872	-	12 584	12 513	13 189
Public Driver Permit (PDP)	-	-	-	-	100 498	-	100 498	105 925	111 645
Social Services Programme	5 709 666	44 367	33 553	168 875	151 424	23 140,21	401 424	423 101	445 948
Principal Job Evaluation Committee	130	67 943	20 911	25 573	4 374	495,70	4 374	4 610	4 859
Non Capital Assets	357 141	820 029	873 318	1 123 351	1 046 569	332 770,82	1 078 471	1 133 861	1 195 092
Public Functions	39 153	61 760	168 140	250 900	239 132	149 344,01	239 132	252 045	265 656
Disaster Management Social Response		39 800	-	-	-	-	-	-	-
Rental	6 421 951	7 247 346	6 961 289	7 265 880	6 949 247	4 483 959,33	8 020 715	8 443 051	8 898 976
Laboratory Services	1 428	1 864	-	7 526	7 526	-	7 978	7 932	8 361
Stationery / Printing / Binding	881 444	936 168	1 008 554	1 060 276	1 076 691	645 871,88	1 127 203	1 189 730	1 262 174
Stores and Materials	1 619 226	1 260 853	1 325 657	1 566 330	1 606 684	914 149,87	1 562 133	1 644 595	1 733 401
Services to Informal Settlements	2 117 555	1 982 271	347 357	716 030	682 448	297 054,25	716 570	755 265	796 049

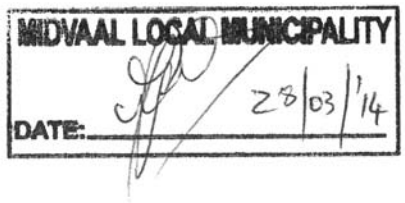
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Service Charges	750 779	630 784	867 364	695 572	662 950	631 529,31	662 950	698 749	736 482
Telecommunications	1 051 672	1 145 941	1 064 863	1 300 122	1 234 751	570 200,15	1 274 945	1 353 427	1 452 066
Tracking	150 764	194 034	217 970	477 759	465 655	80 187,91	448 483	472 194	497 693
Training	217 683	319 784	853 959	1 006 412	962 211	569 699,94	962 211	1 014 170	1 068 936
Uniforms / Protective Clothing	774 990	961 168	1 367 901	1 649 842	1 621 720	1 217 123,99	1 651 048	1 737 991	1 831 842
Valuation Roll	1 768 501	1 213 570	212 564	2 045 800	245 800	148 596,49	245 800	259 073	273 063
Ward Committees	105 503	243 769	891 465	1 055 471	1 005 969	571 095,80	1 005 969	1 060 291	1 117 547
Insurance - Premiums	1 248 485	1 769 513	986 871	2 000 000	1 906 200	1 842 524,36	2 071 867	2 220 940	2 419 498
Insurance - Excess Payments	299 949	-40 870	-90 080	106 000	92 731	-221 656,77	92 731	97 738	103 016
Insurance - Portion of Self Insurance	214 478	37 494	-	106 000	101 029	-	101 029	106 485	112 235
Skills Development Levy	922 593	992 007	-	1 426 989	-	-	-	-	-
Sub-Total: General Expenditure	**39 540 070**	**37 819 563**	**37 297 238**	**54 283 457**	**50 688 612**	**30 563 314,02**	**48 762 023**	**51 657 447**	**55 312 780**
Purchase of Electricity	102 651 692	138 950 910	155 477 814	172 800 000	172 800 000	119 248 951,70	194 173 698	214 485 021	246 600 135
Purchase of Water	54 483 898	60 926 959	70 181 839	77 000 000	80 000 000	50 363 655,90	89 565 301	98 188 541	110 831 461
Sub-Total: Bulk Purchases	**157 135 590**	**199 877 869**	**225 659 652**	**249 800 000**	**252 800 000**	**169 612 607,60**	**283 738 999**	**312 673 562**	**357 431 596**
Interest: External Borrowings	16 124 755	13 987 567	13 276 071	22 115 932	22 115 932	8 637 097,74	18 805 823	17 070 919	14 888 175
Interest: Provision for landfill rehabilitation	-	-	2 843 789	-	-	-	-	-	-
Sub-Total: Interest External Borrowings	**16 124 755**	**13 987 567**	**16 119 860**	**22 115 932**	**22 115 932**	**8 637 097,74**	**18 805 823**	**17 070 919**	**14 888 175**
Contracted Services: Junior Councillors	1 086	-	4 461	18 336	17 878	8 549,00	-	-	-
Contracted Services: General	42 142 939	42 617 553	46 001 885	51 686 348	47 926 894	26 852 946,96	47 426 648	50 563 027	54 446 761
Contracted Services: Debt Collection Commission	-	-	-	-	1 900 000	11 977,68	2 037 000	2 146 998	2 262 936
Contracted Services: DAC Funding	633 768	349 005	733 351	500 000	487 500	190 150,14	-	-	-
Contracted Services: Masterplanning	-	-	-	-	-	-	1 479 250	1 559 130	1 643 322
Contracted Services: MPAC	132	23 966	29 748	30 528	29 765	-	-	-	-
Contracted Services: Strike Contingency Plan	-	91 040	-	91 584	89 294	-	94 610	99 719	105 104
Contracted Services: CCTV Programme	365 673	342 290	394 455	439 908	447 302	221 298,28	471 160	496 603	523 419
Contracted Services: MIG	696 760	868 311	925 731	1 100 000	1 072 500	687 727,34	1 111 000	1 170 994	1 234 228
Contracted Services: EPWP	-	168 435	591 279	1 649 682	1 958 440	1 341 821,67	1 959 375	2 065 181	2 176 701
Contracted Services: Recycling	-	567 600	-	-	-	-	-	-	-
Contracted Services: OR Tambo Games	-	29 999	198 385	288 000	261 000	315 392,06	266 750	281 155	296 337
Contracted Services: Grass Cutting	-	-	-	3 078 720	2 651 752	748 058,15	351 784	556 742	979 946
Contracted Services: Flowerbed Maintenance	-	-	-	316 800	308 880	60 636,32	-	-	-
Contracted Services: Tree Cutting	-	-	-	76 800	74 880	26 256,00	-	-	-
Contracted Services: Pest Control	-	-	-	28 800	28 080	15 892,62	-	-	-
Contracted Services: Reclaim our Parks	-	-	-	814 080	414 080	-	517 000	544 918	574 344
Sub-Total: Contracted Services	**43 840 357**	**45 058 200**	**48 879 295**	**60 119 586**	**57 668 245**	**30 480 706,22**	**55 714 577**	**59 484 467**	**64 243 098**
R & M: Buildings, Fences and Sites	942 852	1 331 044	1 523 502	2 685 305	2 690 305	957 965,95	5 084 161	5 692 002	6 375 044
R & M: Network / Infrastructure: Bulk Services	8 379 081	3 873 430	5 284 983	5 154 650	5 854 650	2 751 679,59	7 325 052	7 761 503	8 226 431
R & M: Network / Infrastructure: Gravel Roads	4 672 018	4 810 327	4 762 123	5 150 000	5 150 000	3 210 035,57	5 241 600	5 870 592	6 575 063
R & M: Network / Infrastructure: Tarred Roads	5 101 924	11 515 738	9 497 262	10 070 000	10 070 000	4 374 535,46	11 560 584	12 370 817	13 431 981
R & M: Network / Infrastructure: Tarred Roads Resealing	4 005 410	3 781 410	2 844 650	3 075 000	3 075 000	1 304 297,96	3 129 600	3 505 152	3 925 770
R & M: Network / Infrastructure: Replace Rotten Poles	-	-	-	-	-	-	240 000	268 800	301 056
R & M: Grass Cutting	-	-	-	-	-	-	3 078 720	3 297 671	3 475 745
R & M: Flowerbed Maintenance	-	-	-	-	-	-	257 296	323 890	341 380
R & M: Tree Cutting	-	-	-	-	-	-	54 338	83 622	88 138
R & M: Pest Control	-	-	-	-	-	-	33 852	62 030	65 380
R & M: Furniture	121 914	70 526	29 581	381 049	381 049	40 639,56	380 259	424 279	475 189
R & M: Pump Stations	713 542	453 918	1 412 002	1 518 000	1 718 000	885 431,38	2 617 152	2 758 554	2 907 601
R & M: Fleet Miscellaneous	3 483 033	3 388 833	3 678 736	4 750 406	1 931 406	1 232 760,99	3 234 965	3 622 386	4 057 072
R & M: Fleet	-	-	-	-	3 073 000	959 110,46	1 942 848	2 173 732	2 434 579
R & M: Rehab of Landfill Sites	6 824	-	-379 382	70 000	50 000	964,91	2 381 568	2 510 172	2 645 721
R & M: IT Equipment and Back-ups	-	-	22 195	79 500	79 500	39 256,25	83 426	93 371	104 506
Sub-Total: Repairs and Maintenance	**27 426 597**	**29 225 226**	**28 675 653**	**32 933 910**	**34 072 910**	**15 756 678,08**	**46 645 421**	**50 818 573**	**55 430 656**
ESKOM FBE Payments	12 273	15 154	11 653	32 712	32 712	12 337,65	34 674	36 546	38 520
Sanitation in Informal Settlements (not Council owned	-	-	-	-	2 000 000	-	9 500 000	12 000 000	14 000 000
Pensioner Grants: Additional Assessment Rates Rebate				-	-	-	250 000	267 500	286 225
Indigent Grants: Additional Assessment Rates				-	-	-	681 950	729 687	780 765
Indigent Grants: Free Basic Sanitation				-	-	-	850 000	909 500	973 165
Indigent Grants: Free Refuse Collection				-	-	-	[illegible]	[illegible]7000	1 259 390

MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/14

FINANCIAL PERIOD	F-03 2010/2011 AUDITED ACTUAL	F-02 2011/2012 AUDITED ACTUAL	F-01 2012/2013 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 ACTUAL YTD (Feb)	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
Indigent Grants: Free Basic Electricity				-	-	-	3 009 641	3 950 440	6 612 152
Sub-Total: Grants Paid	**12 273**	**15 154**	**11 653**	**32 712**	**2 032 712**	**12 337,65**	**15 426 265**	**19 070 673**	**23 950 217**
Depreciation and Impairments Fixed Assets	112 453 205	77 423 417	110 579 532	117 353 402	117 353 402	68 456 151,19	131 699 993	151 873 357	143 545 022
Sub-Total: Depreciation	**112 453 205**	**77 423 417**	**110 579 532**	**117 353 402**	**117 353 402**	**68 456 151,19**	**131 699 993**	**151 873 357**	**143 545 022**
Provision for Bad Debt	24 802 470	22 990 000	27 322 871	27 059 981	25 059 981	15 784 988,94	27 179 751	34 595 633	63 404 746
Sub-Total: Contributions to Provisions	**24 802 470**	**22 990 000**	**27 322 871**	**27 059 981**	**25 059 981**	**15 784 988,94**	**27 179 751**	**34 595 633**	**63 404 746**
Loss on Disposal of Assets	-	-	-	-	-	-	-	-	-
Sub-Total: Loss on Disposal of Assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL OPERATING EXPENDITURE	**547 458 803**	**569 529 414**	**653 590 399**	**738 712 103**	**736 072 573**	**448 324 213,45**	**822 063 957**	**908 731 712**	**1 012 086 331**
Departmental Charges: Electricity	1 986 139	1 166 988	2 293 889	1 517 094	1 517 094	1 631 775,55	2 048 652	2 345 241	2 865 023
Departmental Charges: Sewerage	35 369	39 643	57 359	32 226	32 226	195 961,58	445 874	1 046 794	4 258 344
Departmental Charges: Water	326 190	493 029	1 073 152	709 940	709 940	620 754,39	1 164 488	1 413 332	1 882 791
Departmental Charges: Refuse	395 989	264 708	1 019 888	1 111 667	1 111 667	987 463,91	2 038 677	2 462 754	4 313 096
Departmental Charges: Street Lighting	-	1 270 714	1 677 408	1 700 556	1 700 556	1 215 023,90	1 802 589	1 899 929	2 002 525
Sub-Total: Departmental Charges	**2 743 687**	**3 235 082**	**6 121 695**	**5 071 483**	**5 071 483**	**4 650 979,33**	**7 500 280**	**9 168 050**	**15 321 779**
NET OPERATING EXPENDITURE	**550 202 490**	**572 764 496**	**659 712 094**	**743 783 586**	**741 144 056**	**452 975 192,78**	**829 564 237**	**917 899 762**	**1 027 408 110**

ACCOUNTING SURPLUS / (DEFICIT)	**57 765 258**	**-20 034 251**	**10 975 199**	**206 761**	**-54 432 867**	**7 648 861,87**	**-51 973 031**	**-45 967 569**	**-45 375 092**
Less:									
Contribution to Capital Budget (CRR)	-	2 535 249	15 588 200	12 711 000	15 073 674	-	18 611 000	25 080 000	7 899 193
Contribution to Capital Budget (Grants and Contributions)	165 994 569	39 869 943	89 400 459	94 316 000	37 313 698	-	37 986 000	51 800 000	53 158 000
Redemption of External Loans	3 863 412	-	9 871 389	9 738 946	9 738 946	5 791 763,25	19 870 835	20 138 226	20 215 757
Plus:									
Offset Depreciation	-95 074 244	-77 423 417	-110 579 532	-117 353 402	-117 353 402	-	-129 026 893	-143 778 672	-134 198 822
BUDGET SURPLUS/ (DEFICIT)	**-17 018 479**	**14 983 973**	**6 694 684**	**794 217**	**794 217**	**1 857 098,62**	**586 027**	**792 877**	**7 550 780**



MUNICIPAL MANAGER

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
INCOME									
Other Cash Donations and Contributions	-	471 830	-			-	-	-	-
Sub-Total: Public Donations	**-**	**471 830**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Sundry Income	242 635	-	-	-	-	-	-	-	-
Clearance / Valuation Certificates	-	49	-	-	49	49,00	-	-	-
Sub-Total: Other Income	**242 635**	**49**	**-**	**-**	**49**	**49**	**-**	**-**	**-**
TOTAL OPERATING INCOME	**242 635**	**471 879**	**-**	**-**	**49**	**49**	**-**	**-**	**-**
NET OPERATING INCOME	**242 635**	**471 879**	**-**	**-**	**49**	**49**	**-**	**-**	**-**

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
EXPENDITURE									
Basic Salaries	885 847	1 179 262	1 155 527	1 175 142	1 086 906	751 780	1 408 759,00	1 498 920,00	1 594 850,00
Industrial Council Levy	49	49	71	72	74	51	163,00	173,00	185,00
Leave Bonus	150 984	163 875	73 304	-	-	-	-	-	-
Redemption of Leave	-	-	20 860	-	-	-	-	-	-
Telephone Allowance	12 000	12 000	12 000	12 000	29 591	20 000	33 000,00	35 112,00	37 359,00
Travelling Allowance	120 000	120 000	120 000	120 000	163 908	112 000	168 000,00	178 752,00	190 192,00
UIF	1 497	1 923	1 689	1 497	1 446	1 190	3 782,00	4 024,00	4 282,00
Skills Development Levy	-	-	12 091	-	13 017	8 409	16 488,00	17 543,00	18 666,00
Medical Aid Fund	23 360	17 708	19 418	22 334	21 234	13 844	22 154,00	23 572,00	25 080,00
Pension Fund	97 680	106 480	129 800	132 000	144 659	99 440	202 752,00	215 728,00	229 535,00
Sub-Total: Remuneration of Employees and Councillors	**1 291 419**	**1 601 297**	**1 544 760**	**1 463 045**	**1 460 835**	**1 006 714**	**1 855 098,00**	**1 973 824,00**	**2 100 149,00**
Computer Requirements / Services	1 843	2 388	1 681	4 988	4 754	494	4 754,00	5 011,00	5 281,00
Congresses / Professional Meetings	24 517	41 451	95 236	45 054	99 018	26 623	99 018,00	104 365,00	110 001,00
Entertainment	16 109	17 966	16 495	21 435	20 430	9 155	20 430,00	21 533,00	22 696,00
Marketing / Promotions / Advertisements	-	435	-	1 011	964	-	-	-	-
Periodicals / Reference Books / Magazines	-	492	803	900	858	817	858,00	904,00	953,00
Non Capital Assets	2 500	5 466	-	8 375	7 982	1 675	7 982,00	8 413,00	8 867,00
Rental	-	-	-	15 440	14 716	5 824	16 212,00	17 087,00	18 010,00
Stationery / Printing / Binding	-	7 552	-944	9 002	8 580	3 657	9 009,00	9 495,00	10 008,00
Stores and Materials	-	4 177	3 762	4 501	4 290	4 101	4 290,00	4 522,00	4 766,00
Services to Informal Settlements	413 886	-	-	-	-	-	-	-	-
Telecommunications	27 091	28 606	25 365	37 238	35 492	11 823	35 492,00	37 409,00	39 429,00
Skills Development Levy	11 081	12 974	-	13 295	-	-	-	-	-
Sub-Total: General Expenditure	**497 026**	**121 506**	**142 398**	**161 239**	**197 084**	**64 169**	**198 045,00**	**208 739,00**	**220 011,00**
Contracted Services: General	-	-	510 315	1 369 686	1 160 850	364 711	1 000 000,00	1 054 000,00	1 110 916,00
Sub-Total: Contracted Services	**-**	**-**	**510 315**	**1 369 686**	**1 160 850**	**364 711**	**1 000 000,00**	**1 054 000,00**	**1 110 916,00**
R & M: Furniture	-	-	-	1 191	1 191	-	1 229,00	1 376,00	1 542,00
Sub-Total: Repairs and Maintenance	**-**	**-**	**-**	**1 191**	**1 191**	**-**	**1 229,00**	**1 376,00**	**1 542,00**
Depreciation Fixed Assets	956 264	23 942	18 382	32 454	32 454	18 932	26 476,00	26 476,00	26 476,00
Sub-Total: Depreciation	**956 264**	**23 942**	**18 382**	**32 454**	**32 454**	**18 932**	**26 476,00**	**26 476,00**	**26 476,00**
TOTAL OPERATING EXPENDITURE	**2 744 709**	**1 746 745**	**2 215 855**	**3 027 615**	**2 852 414**	**1 454 525**	**3 080 848,00**	**3 264 415,00**	**3 459 094,00**
NET OPERATING EXPENDITURE	**2 744 709**	**1 746 745**	**2 215 855**	**3 027 615**	**2 852 414**	**1 454 525**	**3 080 848,00**	**3 264 415,00**	**3 459 094,00**

ACCOUNTING SURPLUS / (DEFICIT)	**-2 502 074**	**-1 274 866**	**-2 215 855**	**-3 027 615**	**-2 852 365**	**-1 454 476**	**-3 080 848,00**	**-3 264 415,00**	**-3 459 094,00**
Contribution to Capital Budget (CRR)									
Contribution to Capital Budget (Capital Replacement Reserve)	-	-	-	-	100 000	-	-	-	-
Contribution to Capital Budget (Grants and Contributions)	-	-	-	-	-	-	-	-	-
Redemption of External Loans	-	-	-	-	-	-	-	-	-
Plus:									
Offset Depreciation	-956 264	-23 942	-18 382	-32 454	-32 454	-	-26 476,00	-26 476,00	-26 476,00
BUDGET SURPLUS/ (DEFICIT)	**-1 545 810**	**-1 250 924**	**-2 197 473,29**	**-2 995 161,00**	**-2 919 911,00**	**-1 454 476,13**	**-3 054 372,00**	**-3 237 939,00**	**-3 432 618,00**

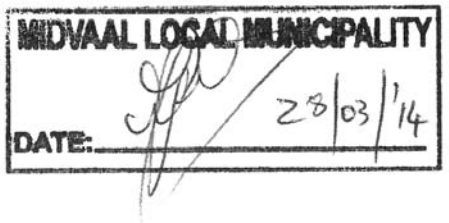
MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/'14

EXECUTIVE MAYOR

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
INCOME									
Sundry Income	2 632	-	14 450,00	-	-	-	-	-	-
Sub-Total: Other Income	**2 632**	**-**	**14 450**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL OPERATING INCOME	**2 632**	**-**	**14 450**	**-**	**-**	**-**	**-**	**-**	**-**
NET OPERATING INCOME	**2 632**	**-**	**14 450**	**-**	**-**	**-**	**-**	**-**	**-**

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
EXPENDITURE									
Basic Salaries	923 523	881 221	769 065	1 142 799	1 323 095	507 930	1 292 394,00	1 375 107,00	1 463 114,00
Industrial Council Levy	148	148	137	360	445	102	490,00	521,00	555,00
Leave Bonus	41 391	44 579	28 731	60 895	45 768	28 825	51 142,00	54 415,00	57 898,00
Overtime	39 636	46 210	59 465	40 000	78 636	46 250	84 141,00	89 526,00	95 256,00
Redemption of Leave	1 152	-	36 960	-	-	-	-	-	-
Telephone Allowance	13 923	10 800	5 550	9 600	9 273	5 800	9 600,00	10 214,00	10 868,00
Travelling Allowance	475	860	2 371	-	10 000	3 157	12 000,00	12 768,00	13 585,00
UIF	6 623	5 989	5 371	12 533	14 668	4 759	10 469,00	11 139,00	11 852,00
Skills Development Levy	-	-	8 234	-	17 578	7 448	14 170,00	15 077,00	16 042,00
Medical Aid Fund	15 476	16 852	27 700	19 138	63 247	28 386	63 900,00	67 990,00	72 341,00
Pension Fund	109 272	117 689	74 083	160 762	204 047	50 869	178 359,00	189 774,00	201 920,00
Sub-Total: Remuneration of Employees and Councillors	**1 151 618**	**1 124 347**	**1 017 667**	**1 446 087**	**1 766 757**	**683 525**	**1 716 665,00**	**1 826 531,00**	**1 943 431,00**
Computer Requirements / Services	608	5 601	428	965	920	-	920,00	970,00	1 022,00
Congresses / Professional Meetings	252 674	433 830	399 240	400 000	391 240	341 075	391 240,00	412 367,00	434 635,00
Fuel Miscellaneous	-	-	-	-	47 130	-	63 626,00	67 062,00	70 683,00
Fleet - E-toll	-	-	-	-	-	-	6 000,00	6 324,00	6 665,00
Entertainment	28 577	27 535	31 795	50 000	52 655	21 514	52 655,00	55 498,00	58 495,00
Legal Expenses	-	-	-	1 600 000	1 224 960	109 956	1 286 208,00	1 355 663,00	1 428 869,00
Mayoral Donations	79 264	224 666	207 510	200 000	190 620	202 426	190 620,00	200 913,00	211 763,00
Non Capital Assets	69 504	14 637	8 800	24 111	22 980	1 727	22 980,00	24 221,00	25 529,00
Stationery / Printing / Binding	999	1 287	4 830	4 825	4 599	1 874	4 829,00	5 090,00	5 365,00
Stores and Materials	21 674	19 628	11 987	19 300	23 920	11 670	23 920,00	25 212,00	26 573,00
Skills Development Levy	9 804	8 566	-	12 724	-	-	-	-	-
Sub-Total: General Expenditure	**463 104**	**735 750**	**664 590**	**2 311 925**	**1 959 024**	**690 242**	**2 042 998,00**	**2 153 320,00**	**2 269 599,00**
Contracted Services: General	924 997	835 951	1 151 121	960 000	1 071 750	719 661	727 500,00	766 785,00	808 191,00
Sub-Total: Contracted Services	**924 997**	**835 951**	**1 151 121**	**960 000**	**1 071 750**	**719 661**	**727 500,00**	**766 785,00**	**808 191,00**
R & M: Buildings, Fences and Sites	2 205	8 308	770	5 000	5 000	964	5 160,00	5 779,00	6 473,00
Sub-Total: Repairs and Maintenance	**2 205**	**8 308**	**770**	**5 000**	**5 000**	**964**	**5 160,00**	**5 779,00**	**6 473,00**
TOTAL OPERATING EXPENDITURE	**2 541 924**	**2 704 357**	**2 834 148**	**4 723 012**	**4 802 531**	**2 094 392**	**4 492 323,00**	**4 752 415,00**	**5 027 694,00**
NET OPERATING EXPENDITURE	**2 541 924**	**2 704 357**	**2 834 148**	**4 723 012**	**4 802 531**	**2 094 392**	**4 492 323,00**	**4 752 415,00**	**5 027 694,00**

ACCOUNTING SURPLUS / (DEFICIT)	**-2 539 292**	**-2 704 357**	**-2 819 698**	**-4 723 012**	**-4 802 531**	**-2 094 392**	**-4 492 323,00**	**-4 752 415,00**	**-5 027 694,00**
Contribution to Capital Budget (CRR)									
Contribution to Capital Budget (Capital Replacement Reserve)	-	-	-	-	-	-	-	-	-
Contribution to Capital Budget (Grants and Contributions)	-	-	-	-	-	-	-	-	-
Redemption of External Loans	-	-	-	-	-	-	-	-	-
Plus:									
Offset Depreciation	-	-	-	-	-	-	-	-	-
BUDGET SURPLUS/ (DEFICIT)	**-2 539 292**	**-2 704 357**	**-2 819 697,80**	**-4 723 012,00**	**-4 802 531,00**	**-2 094 392,03**	**-4 492 323,00**	**-4 752 415,00**	**-5 027 694,00**

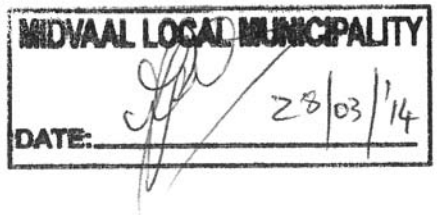


COUNCILLORS

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
INCOME									
Specific Contribution towards Councillors (Equitable Share)	1 056 000	1 624 000	3 318 000,00	3 716 000	3 716 000	2 787 398,11	4 683 000,00	4 891 000,00	5 110 000,00
Sub-Total: National Grants (Opex)	**1 056 000**	**1 624 000**	**3 318 000**	**3 716 000**	**3 716 000**	**2 787 398**	**4 683 000,00**	**4 891 000,00**	**5 110 000,00**
Sub-Total: Government Grants and Subsidies	**1 056 000**	**1 624 000**	**3 318 000**	**3 716 000**	**3 716 000**	**2 787 398**	**4 683 000,00**	**4 891 000,00**	**5 110 000,00**
TOTAL OPERATING INCOME	**1 056 000**	**1 624 000**	**3 318 000**	**3 716 000**	**3 716 000**	**2 787 398**	**4 683 000,00**	**4 891 000,00**	**5 110 000,00**
NET OPERATING INCOME	**1 056 000**	**1 624 000**	**3 318 000**	**3 716 000**	**3 716 000**	**2 787 398**	**4 683 000,00**	**4 891 000,00**	**5 110 000,00**

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
EXPENDITURE									
Allowances of Councillors	4 978 793	7 066 526	7 522 299	9 235 555	8 920 623	5 477 999	8 432 058,00	8 971 710,00	9 545 899,00
Telephone Allowance: Councillors	253 806	363 903	352 652	472 639	456 522	374 591	620 000,00	659 680,00	701 900,00
Sub-Total: Remuneration of Employees and Councillors	**5 232 599**	**7 430 429**	**7 874 951**	**9 708 194**	**9 377 145**	**5 852 590**	**9 052 058,00**	**9 631 390,00**	**10 247 799,00**
Computer Requirements / Services	1 667	11 148	2 816	7 720	7 358	-	7 358,00	7 755,00	8 174,00
Congresses / Professional Meetings	133 535	149 054	190 742	196 315	196 315	191 040	196 315,00	206 916,00	218 089,00
Entertainment	16 864	26 688	14 796	32 066	30 562	2 752	30 562,00	32 212,00	33 952,00
Membership Fees	661 280	352 000	500 000	3 278 000	3 124 262	2 734 670	1 700 000,00	1 791 800,00	1 888 557,00
Non Capital Assets	1 260	10 786	1 596	3 964	3 778	-	3 778,00	3 982,00	4 197,00
Stationery / Printing / Binding	575	495	1 149	5 115	4 875	-	5 119,00	5 395,00	5 687,00
Telecommunications	17 616	-	-	-	-	-	-	-	-
Training	-	-	-	51 145	48 746	-	48 746,00	51 378,00	54 153,00
Sub-Total: General Expenditure	**832 796**	**550 171**	**711 099**	**3 574 325**	**3 415 896**	**2 928 462**	**1 991 878,00**	**2 099 438,00**	**2 212 809,00**
Depreciation Fixed Assets	-	26 178	20 385	-	-	-	99 557,00	99 557,00	99 557,00
Sub-Total: Depreciation	**-**	**26 178**	**20 385**	**-**	**-**	**-**	**99 557,00**	**99 557,00**	**99 557,00**
TOTAL OPERATING EXPENDITURE	**6 065 395**	**8 006 778**	**8 606 436**	**13 282 519**	**12 793 041**	**8 781 052**	**11 143 493,00**	**11 830 385,00**	**12 560 165,00**
NET OPERATING EXPENDITURE	**6 065 395**	**8 006 778**	**8 606 436**	**13 282 519**	**12 793 041**	**8 781 052**	**11 143 493,00**	**11 830 385,00**	**12 560 165,00**

ACCOUNTING SURPLUS / (DEFICIT)	**-5 009 395**	**-6 382 778**	**-5 288 436**	**-9 566 519**	**-9 077 041**	**-5 993 654**	**-6 460 493,00**	**-6 939 385,00**	**-7 450 165,00**
Contribution to Capital Budget (CRR)									
Contribution to Capital Budget (Capital Replacement Reserve)	-	-	-	-	-	-	-	-	-
Contribution to Capital Budget (Grants and Contributions)	-	-	-	-	-	-	-	-	-
Redemption of External Loans	-	-	-	-	-	-	-	-	-
Plus:									
Offset Depreciation	-	-26 178	-20 385	-	-	-	-99 557,00	-99 557,00	-99 557,00
BUDGET SURPLUS/ (DEFICIT)	**-5 009 395**	**-6 356 600**	**-5 268 050,40**	**-9 566 519,00**	**-9 077 041,00**	**-5 993 653,76**	**-6 360 936,00**	**-6 839 828,00**	**-7 350 608,00**



MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/14

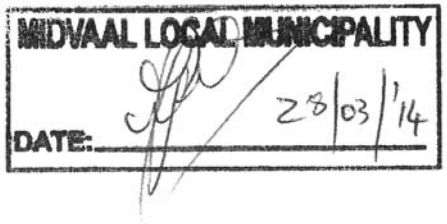
SPEAKER

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	% INCR / (DECR) Adj to Prelim	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
INCOME										
Other Cash Donations and Contributions	-	40 000	-			-	-	0,00%	-	-
Sub-Total: Public Donations	**-**	**40 000**	**-**	**-**	**-**	**-**	**-**	**0,00%**	**-**	**-**
Municipal Systems Improvement Grant	150 000	210 000	200 000,00	200 000	200 000	200 000,00	-	-100,00%	-	-
Sub-Total: National Grants (Opex)	**150 000**	**210 000**	**200 000**	**200 000**	**200 000**	**200 000**	**-**	**-100,00%**	**-**	**-**
Sub-Total: Government Grants and Subsidies	**150 000**	**210 000**	**200 000**	**200 000**	**200 000**	**200 000**	**-**	**-100,00%**	**-**	**-**
TOTAL OPERATING INCOME	**150 000**	**250 000**	**200 000**	**200 000**	**200 000**	**200 000**	**-**	**-100,00%**	**-**	**-**
NET OPERATING INCOME	**150 000**	**250 000**	**200 000**	**200 000**	**200 000**	**200 000**	**-**	**-100,00%**	**-**	**-**

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	% INCR / (DECR) Adj to Prelim	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
EXPENDITURE										
Basic Salaries	634 091	997 866	1 030 668	1 288 712	1 352 388	616 268	1 267 086,00	-6,31%	1 348 180,00	1 434 463,00
Housing Subsidy	10 927	6 263	6 000	12 000	11 591	478	12 000,00	3,53%	12 768,00	13 585,00
Industrial Council Levy	193	291	405	504	745	273	571,00	-23,36%	608,00	646,00
Leave Bonus	53 552	57 287	81 612	107 393	79 356	45 258	97 340,00	22,66%	103 570,00	110 198,00
Overtime	26 676	55 934	46 249	40 000	88 295	52 260	94 476,00	7,00%	100 522,00	106 956,00
Redemption of Leave	33 221	-	3 550	-	23 008	23 008	-	-100,00%	-	-
Telephone Allowance	7 800	9 600	9 600	9 600	13 473	5 100	9 600,00	-28,75%	10 214,00	10 868,00
Travelling Allowance	83 922	84 933	86 505	92 000	136 863	35 204	91 400,00	-33,22%	97 250,00	103 474,00
UIF	5 656	7 865	9 106	15 467	16 341	6 304	11 758,00	-28,05%	12 511,00	13 311,00
Skills Development Levy	-	-	11 907	-	17 447	7 938	15 593,00	-10,63%	16 591,00	17 653,00
Group Insurance	5 344	5 669	6 052	6 492	5 368	-	5 974,00	11,29%	6 356,00	6 763,00
Medical Aid Fund	71 252	92 944	120 723	106 572	110 803	61 748	91 922,00	-17,04%	97 805,00	104 065,00
Pension Fund	152 306	211 380	221 096	309 007	322 143	127 712	268 008,00	-16,80%	285 161,00	303 411,00
Sub-Total: Remuneration of Employees and Councillors	**1 084 939**	**1 530 031**	**1 633 474**	**1 987 747**	**2 177 821**	**981 552**	**1 965 728,00**	**-9,74%**	**2 091 536,00**	**2 225 393,00**
Computer Requirements / Services	6 170	1 742	9 806	11 580	11 037	2 055	11 037,00	0,00%	11 633,00	12 261,00
Congresses / Professional Meetings	17 758	39 407	56 751	49 099	46 796	37 282	46 796,00	0,00%	49 323,00	51 986,00
Elections	95 864	-	-	-	500 000	-	-	-100,00%	-	-
Fuel Miscellaneous	40	341	-	12 275	1 906	647	-	-100,00%	-	-
Fleet - Fuel	-	-	-	-	21 150	10 912	28 553,00	35,00%	30 095,00	31 720,00
Fleet - Oil	-	-	-	-	119	-	125,00	5,04%	132,00	139,00
Lease Agreements	-	-	-	6 137	5 849	-	-	-100,00%	-	-
Entertainment	5 249	8 880	5 937	6 137	5 849	2 358	50 849,00	769,36%	53 595,00	56 489,00
Mayoral Donations	-	-	29 500	6 137	5 849	5 500	5 849,00	0,00%	6 165,00	6 498,00
Marketing / Promotions / Advertisements	9 045	35 448	73 697	96 500	76 974	10 271	76 974,00	0,00%	81 131,00	85 512,00
Periodicals / Reference Books / Magazines	-	-	495	1 737	1 656	480	1 656,00	0,00%	1 745,00	1 840,00
Non Capital Assets	-	1 833	10 574	77 280	48 656	2 070	48 656,00	0,00%	51 283,00	54 053,00
Public Functions	14 094	27 432	124 240	193 000	183 948	128 082	183 948,00	0,00%	193 881,00	204 351,00
Disaster Management Social Response	-	39 800	-	-	-	-	-		-	-
Rental	15 100	24 583	15 516	29 255	42 883	25 434	45 000,00	4,94%	47 430,00	49 991,00
Stationery / Printing / Binding	12 586	26 654	24 758	24 125	47 994	42 527	50 394,00	5,00%	53 115,00	55 984,00
Stores and Materials	3 708	5 093	5 472	5 790	5 518	5 222	5 518,00	0,00%	5 816,00	6 130,00
Telecommunications	18 904	19 487	21 584	38 600	36 790	19 321	36 790,00	0,00%	38 777,00	40 871,00
Ward Committees	105 503	243 769	891 465	1 055 471	1 005 969	571 096	1 005 969,00	0,00%	1 060 291,00	1 117 547,00
Skills Development Levy	8 065	10 626	-	16 563	-	-	-	0,00%	-	-
Sub-Total: General Expenditure	**312 086**	**485 095**	**1 269 796**	**1 629 686**	**2 048 943**	**863 258**	**1 598 114,00**	**-22,00%**	**1 684 412,00**	**1 775 372,00**
Contracted Services: Junior Councillors	1 086	-	4 461	18 336	17 878	8 549	-	-100,00%	-	-
Contracted Services: General	15 736	36 364	3 656	140 640	112 124	1 770	25 220,00	-77,51%	26 582,00	28 017,00
Contracted Services: MPAC	132	23 966	29 748	30 528	29 765	-	-	-100,00%	-	-
Sub-Total: Contracted Services	**16 954**	**60 330**	**37 865**	**189 504**	**159 767**	**10 319**	**25 220,00**	**-84,21%**	**26 582,00**	**28 017,00**
R & M: Furniture	2 947	-	473	33 500	33 500	-	34 572,00	3,20%	38 721,00	43 367,00
R & M: Fleet Miscellaneous	-	-	-	6 400	6 400	953	6 605,00	3,20%	7 398,00	8 285,00
Sub-Total: Repairs and Maintenance	**2 947**	**-**	**473**	**39 900**	**39 900**	**953**	**41 177,00**	**3,20%**	**46 119,00**	**51 652,00**
Depreciation Fixed Assets	-	45 559	69 364	31 431	31 431	18 335	259 287,00	724,94%	274 787,00	262 287,00
Sub-Total: Depreciation	**-**	**45 559**	**69 364**	**31 431**	**31 431**	**18 335**	**259 287,00**	**724,94%**	**274 787,00**	**262 287,00**
TOTAL OPERATING EXPENDITURE	**1 416 926**	**2 121 016**	**3 010 972**	**3 878 268**	**4 457 862**	**1 874 417**	**3 889 526,00**	**-12,75%**	**4 123 436,00**	**4 342 721,00**
NET OPERATING EXPENDITURE	**1 416 926**	**2 121 016**	**3 010 972**	**3 878 268**	**4 457 862**	**1 874 417**	**3 889 526,00**		**4 123 436,00**	**4 342 721,00**

ACCOUNTING SURPLUS / (DEFICIT)	**-1 266 926**	**-1 871 016**	**-2 810 972**	**-3 678 268**	**-4 257 862**	**-1 674 417**	**-3 889 526,00**		**-4 123 436,00**	**-4 342 721,00**
Contribution to Capital Budget (CRR)										
Contribution to Capital Budget (Capital Replacement Reserve)	-	-	-	300 000	279 900	-	15 000,00		250 000,00	-
Contribution to Capital Budget (Grants and Contributions)	-	-	-	-	-	-	-		-	-
Redemption of External Loans	-	-	-	-	-	-	-		-	-
Plus:										

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	% INCR / (DECR) Adj to Prelim	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
Offset Depreciation	-	-45 559	-69 364	-31 431	-31 431	-	-259 287,00		-274 787,00	-262 287,00
BUDGET SURPLUS/ (DEFICIT)	**-1 266 926**	**-1 825 457**	**-2 741 607,69**	**-3 946 837,00**	**-4 506 331,00**	**-1 674 416,70**	**-3 645 239,00**		**-4 098 649,00**	**-4 080 434,00**



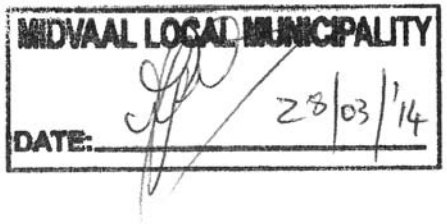
MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/14

CORPORATE SERVICES

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
INCOME									
Other Cash Donations and Contributions	94 324	-	-			-	-	-	-
Sub-Total: Public Donations	**94 324**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Telephone Income	78 721	141 522	143 418,77	130 000	130 000	107 947,66	180 000,00	189 720,00	199 965,00
Sub-Total: Other Income	**78 721**	**141 522**	**123 854**	**130 000**	**134 254**	**114 387**	**185 000,00**	**194 990,00**	**205 520,00**
TOTAL OPERATING INCOME	**173 045**	**141 522**	**123 854**	**130 000**	**134 254**	**114 387**	**185 000,00**	**194 990,00**	**205 520,00**
NET OPERATING INCOME	**173 045**	**141 522**	**123 854**	**130 000**	**134 254**	**114 387**	**185 000,00**	**194 990,00**	**205 520,00**

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
EXPENDITURE									
Acting Allowance	-	-	-	5 000	4 829	-	5 000,00	5 320,00	5 660,00
Basic Salaries	4 730 631	5 591 510	5 653 205	5 363 318	5 176 966	3 501 863	5 697 006,00	6 061 614,00	6 449 558,00
Housing Subsidy	42 321	45 779	40 660	30 000	28 977	18 952	30 000,00	31 920,00	33 963,00
Industrial Council Levy	1 197	1 214	1 648	1 584	1 621	1 092	1 795,00	1 910,00	2 032,00
Leave Bonus	437 947	486 769	381 874	340 725	312 816	234 454	346 789,00	368 983,00	392 598,00
Overtime	14 771	13 613	9 705	40 000	38 636	4 075	41 341,00	43 987,00	46 802,00
Redemption of Leave	54 486	17 562	87 692	40 893	42 719	42 718	43 264,00	46 033,00	48 979,00
Telephone Allowance	70 350	69 389	61 491	64 200	73 411	48 350	72 600,00	77 246,00	82 190,00
Travelling Allowance	473 376	479 419	426 432	480 000	490 632	325 395	572 800,00	609 459,00	648 465,00
UIF	33 820	34 237	38 008	48 023	46 347	24 048	39 088,00	41 590,00	44 251,00
Skills Development Levy	-	-	61 756	-	64 397	40 801	70 505,00	75 017,00	79 818,00
Group Insurance	13 492	14 312	15 505	8 892	8 707	4 468	9 631,00	10 247,00	10 903,00
Medical Aid Fund	307 679	282 840	302 726	354 652	302 419	237 329	318 041,00	338 396,00	360 053,00
Pension Fund	1 440 527	893 640	875 353	948 863	915 718	587 071	967 897,00	1 029 842,00	1 095 752,00
Sub-Total: Remuneration of Employees and Councillors	**7 620 598**	**7 930 284**	**7 956 055**	**7 726 150**	**7 508 195**	**5 070 618**	**8 215 757,00**	**8 741 564,00**	**9 301 024,00**
Computer Requirements / Services	5 324	6 588	6 148	11 580	11 037	2 927	11 037,00	11 633,00	12 261,00
Congresses / Professional Meetings	42 654	67 111	38 715	67 550	64 382	46 117	64 382,00	67 859,00	71 523,00
Fuel Miscellaneous	76 947	97 679	87 268	86 850	61 195	35 808	-	-	-
Fleet - Fuel	-	-	-	-	49 471	43 932	66 786,00	70 392,00	74 194,00
Fleet - Oil	-	-	-	-	572	-	601,00	633,00	668,00
Fuel Miscellaneous	-	-	-	-	3 000	298	4 050,00	4 269,00	4 499,00
Fleet - E-toll	-	-	-	-	-	-	6 000,00	6 324,00	6 665,00
Lease Agreements	3 686	7 120	-	-	-	-	-	-	-
Entertainment	13 458	13 293	10 534	15 344	14 624	6 946	19 800,00	20 869,00	21 996,00
Legal Expenses	463 071	601 777	912 526	750 000	1 014 825	488 884	1 065 566,00	1 123 107,00	1 183 754,00
License Fees	23 386	8 672	34 539	48 250	35 987	648	37 786,00	39 826,00	41 977,00
Marketing / Promotions / Advertisements	107 269	91 040	208 577	168 875	160 955	51 815	160 955,00	169 647,00	178 807,00
Occupational Safety	22 817	19 706	35 279	-	-	-	-	-	-
Periodicals / Reference Books / Magazines	20 824	26 481	37 461	40 241	38 354	20 752	38 354,00	40 425,00	42 608,00
Postage	87 727	65 216	50 878	61 374	48 496	22 868	50 921,00	53 671,00	56 569,00
Non Capital Assets	12 412	70 618	28 047	46 368	44 193	16 522	44 193,00	46 579,00	49 095,00
Rental	417 670	807 448	734 480	820 250	781 780	422 758	881 768,00	929 383,00	979 570,00
Stationery / Printing / Binding	193 451	194 323	178 186	165 015	157 276	80 154	165 140,00	174 058,00	183 457,00
Stores and Materials	19 848	15 949	15 857	24 125	22 994	13 279	22 994,00	24 236,00	25 544,00
Telecommunications	178 394	186 859	139 408	193 000	153 948	78 321	153 948,00	162 261,00	171 023,00
Skills Development Levy	53 692	57 469	-	66 888	-	-	-	-	-
Sub-Total: General Expenditure	**1 742 632**	**2 337 350**	**2 517 903**	**2 565 710**	**2 663 089**	**1 332 030**	**2 794 281,00**	**2 945 172,00**	**3 104 210,00**
Interest: External Borrowings	1 356 406	1 302 862	1 239 810	1 173 356	1 173 356	600 213	1 099 649,00	1 020 913,00	928 930,00
Sub-Total: Interest External Borrowings	**1 356 406**	**1 302 862**	**1 239 810**	**1 173 356**	**1 173 356**	**600 213**	**1 099 649,00**	**1 020 913,00**	**928 930,00**
Contracted Services: General	179 948	395 000	181 654	254 400	248 040	150 207	101 850,00	107 350,00	113 147,00
Sub-Total: Contracted Services	**179 948**	**395 000**	**181 654**	**254 400**	**248 040**	**150 207**	**101 850,00**	**107 350,00**	**113 147,00**
R & M: Furniture	6 218	500	289	5 300	5 300	4 140	5 469,00	6 125,00	6 860,00
R & M: Fleet Miscellaneous	19 450	23 015	19 250	35 000	8 400	8 363	36 120,00	40 454,00	45 309,00
R & M: Fleet	-	-	-	-	76 600	29 465	-	-	-
Sub-Total: Repairs and Maintenance	**25 667**	**23 515**	**19 539**	**40 300**	**90 300**	**41 968**	**41 589,00**	**46 579,00**	**52 169,00**
Depreciation Fixed Assets	-	665 603	1 504 800	497 624	497 624	290 281	1 481 951,00	1 741 284,00	1 552 284,00
Sub-Total: Depreciation	**-**	**665 603**	**1 504 800**	**497 624**	**497 624**	**290 281**	**1 481 951,00**	**1 741 284,00**	**1 552 284,00**
TOTAL OPERATING EXPENDITURE	**10 925 250**	**12 654 613**	**13 419 760**	**12 257 540**	**12 180 604**	**7 485 316**	**13 735 077,00**	**14 602 862,00**	**15 051 764,00**

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
NET OPERATING EXPENDITURE	**10 925 250**	**12 654 613**	**13 419 760**	**12 257 540**	**12 180 604**	**7 485 316**	**13 735 077,00**	**14 602 862,00**	**15 051 764,00**
ACCOUNTING SURPLUS / (DEFICIT)	**-10 752 205**	**-12 513 091**	**-13 295 907**	**-12 127 540**	**-12 046 350**	**-7 370 929**	**-13 550 077,00**	**-14 407 872,00**	**-14 846 244,00**
Contribution to Capital Budget (CRR)									
Contribution to Capital Budget (Capital Replacement Reserve)	-	-	-	450 000	435 595	-	480 000,00	680 000,00	680 000,00
Contribution to Capital Budget (Grants and Contributions)	-	-	-	-	-	-	-	-	-
Redemption of External Loans	-	-	-	672 841	672 841	322 885	746 548,00	825 284,00	917 267,00
Plus:									
Offset Depreciation	-	-665 603	-1 504 800	-497 624	-497 624	-	-1 481 951,00	-1 741 284,00	-1 552 284,00
BUDGET SURPLUS/ (DEFICIT)	**-10 752 205**	**-11 847 488**	**-11 791 106,50**	**-12 752 757,00**	**-12 657 162,00**	**-7 693 814,31**	**-13 294 674,00**	**-14 171 872,00**	**-14 891 227,00**

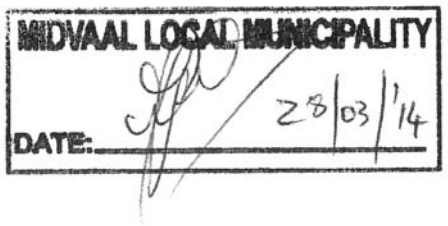


BUILDINGS

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
INCOME									
Rent of Facilities and Equipment	534 040	1 534 595	1 329 611,67	1 020 000	1 270 000	604 429,81	1 300 000,00	1 370 200,00	1 444 191,00
Sub-Total: Rent of Facilities and Equipment	**534 040**	**1 534 595**	**1 329 612**	**1 020 000**	**1 270 000**	**604 430**	**1 300 000,00**	**1 370 200,00**	**1 444 191,00**
TOTAL OPERATING INCOME	**534 040**	**1 534 595**	**1 329 612**	**1 020 000**	**1 270 000**	**604 430**	**1 300 000,00**	**1 370 200,00**	**1 444 191,00**
Departmental Charges: Electricity	-	38 138	-	-	-	-	-	-	-
Departmental Charges: Water	-	47 717	-	-	-	-	-	-	-
Departmental Charges: Refuse	-	243 721	-	-	-	-	-	-	-
Sub-Total: Departmental Charges	**-**	**329 576**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
NET OPERATING INCOME	**534 040**	**1 864 171**	**1 329 612**	**1 020 000**	**1 270 000**	**604 430**	**1 300 000,00**	**1 370 200,00**	**1 444 191,00**

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
EXPENDITURE									
Basic Salaries	671 781	742 192	833 979	905 657	868 037	598 916	960 856,00	1 022 351,00	1 087 781,00
Housing Subsidy	-	-	-	3 600	3 477	-	3 600,00	3 830,00	4 076,00
Industrial Council Levy	394	361	571	720	661	457	734,00	781,00	831,00
Leave Bonus	55 468	58 972	63 367	75 471	72 336	28 326	80 071,00	85 196,00	90 648,00
Overtime	46 425	29 246	28 857	30 000	58 977	25 222	63 105,00	67 144,00	71 441,00
Redemption of Leave	5 718	3 033	4 106	7 989	10 406	10 405	8 527,00	9 073,00	9 653,00
Telephone Allowance	4 800	4 800	4 800	4 800	4 636	3 200	4 800,00	5 107,00	5 434,00
Travelling Allowance	-	796	2 819	5 000	4 829	370	5 000,00	5 320,00	5 660,00
UIF	7 084	6 892	8 234	10 325	10 200	6 470	9 899,00	10 533,00	11 207,00
Skills Development Levy	-	-	8 476	-	10 709	6 527	11 033,00	11 739,00	12 490,00
Medical Aid Fund	43 856	42 295	41 440	47 362	43 839	30 958	45 454,00	48 363,00	51 458,00
Pension Fund	146 845	144 985	167 326	202 981	194 674	131 762	215 486,00	229 277,00	243 951,00
Sub-Total: Remuneration of Employees and Councillors	**982 371**	**1 033 572**	**1 163 975**	**1 293 905**	**1 282 781**	**842 613**	**1 408 565,00**	**1 498 714,00**	**1 594 630,00**
Congresses / Professional Meetings	-	-	-	-	300	300	300,00	316,00	333,00
Non Capital Assets	-	-	110 295	93 818	89 418	20 950	89 418,00	94 247,00	99 336,00
Stores and Materials	33 226	32 977	48 655	38 600	36 790	31 453	36 790,00	38 777,00	40 871,00
Uniforms / Protective Clothing	5 837	12 538	13 297	19 300	26 123	17 277	26 123,00	27 534,00	29 020,00
Skills Development Levy	7 358	7 216	-	10 799	-	-	-	-	-
Sub-Total: General Expenditure	**46 421**	**52 731**	**172 246**	**162 517**	**152 631**	**69 979**	**152 631,00**	**160 874,00**	**169 560,00**
Contracted Services: General	142 993	249 429	184 359	201 600	216 560	125 200	135 800,00	143 133,00	150 862,00
Sub-Total: Contracted Services	**142 993**	**249 429**	**184 359**	**201 600**	**216 560**	**125 200**	**135 800,00**	**143 133,00**	**150 862,00**
R & M: Buildings, Fences and Sites	345 736	484 079	657 001	900 000	900 000	408 399	2 880 000,00	3 225 600,00	3 612 672,00
Sub-Total: Repairs and Maintenance	**345 736**	**484 079**	**657 001**	**900 000**	**900 000**	**408 399**	**2 880 000,00**	**3 225 600,00**	**3 612 672,00**
Depreciation Fixed Assets	-	3 072	3 165	1 047 191	1 047 191	610 861	47 044,00	59 544,00	59 544,00
Sub-Total: Depreciation	**-**	**3 072**	**3 165**	**1 047 191**	**1 047 191**	**610 861**	**47 044,00**	**59 544,00**	**59 544,00**
TOTAL OPERATING EXPENDITURE	**1 517 521**	**1 822 883**	**2 180 746**	**3 605 213**	**3 599 163**	**2 057 052**	**4 624 040,00**	**5 087 865,00**	**5 587 268,00**
Departmental Charges: Electricity	87 466	38 138	182 651	148 720	148 720	218 851	245 388,00	258 639,00	272 605,00
Departmental Charges: Sewerage	-	-	920	1 089	1 089	-	1 796,00	1 893,00	1 995,00
Departmental Charges: Water	48 791	47 717	106 661	100 760	100 760	265 847	166 254,00	175 232,00	184 694,00
Departmental Charges: Refuse	367 775	243 721	994 076	1 078 838	1 078 838	764 942	1 780 082,00	1 876 206,00	1 977 522,00
Sub-Total: Departmental Charges	**504 032**	**329 576**	**1 284 308**	**1 329 407**	**1 329 407**	**1 249 640**	**2 193 520**	**2 311 970**	**2 436 816**
NET OPERATING EXPENDITURE	**2 021 553**	**2 152 459**	**3 465 054**	**4 934 620**	**4 928 570**	**3 306 692**	**6 817 560,00**	**7 399 835,00**	**8 024 084,00**

ACCOUNTING SURPLUS / (DEFICIT)	**-1 487 513**	**-288 288**	**-2 135 443**	**-3 914 620**	**-3 658 570**	**-2 702 262**	**-5 517 560,00**	**-6 029 635,00**	**-6 579 893,00**
Contribution to Capital Budget (CRR)									
Contribution to Capital Budget (Capital Replacement Reserve)	-	-	-	26 000	22 500	-	75 000,00	-	-
Contribution to Capital Budget (Grants and Contributions)	-	-	-	-	-	-	-	-	-
Redemption of External Loans	-	-	-	-	-	-	-	-	-
Plus:									
Offset Depreciation	-	-3 072	-3 165	-1 047 191	-1 047 191	-	-47 044,00	-59 544,00	-59 544,00
BUDGET SURPLUS/ (DEFICIT)	**-1 487 513**	**-285 216**	**-2 132 277,47**	**-2 893 429,00**	**-2 633 879,00**	**-2 702 262,21**	**-5 545 516,00**	**-5 970 091,00**	**-6 520 349,00**

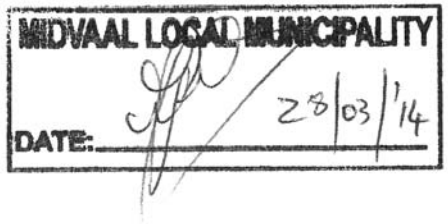


PUBLIC RELATIONS OFFICER

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
INCOME									
NET OPERATING INCOME	-	-	-	-	-	-	-	-	-

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
EXPENDITURE									
Computer Requirements / Services	1 080	-	217	9 650	9 197	-	9 197,00	9 694,00	10 217,00
Marketing / Promotions / Advertisements	798 053	316 874	662 924	650 000	619 515	268 143	619 515,00	652 969,00	688 229,00
Non Capital Assets	-	-	-	15 456	14 731	8 244	14 731,00	15 526,00	16 365,00
Public Functions	25 059	34 328	43 900	57 900	55 184	21 262	55 184,00	58 164,00	61 305,00
Stationery / Printing / Binding	58 532	10 690	1 927	48 250	45 987	7 597	48 286,00	50 893,00	53 642,00
Sub-Total: General Expenditure	**882 724**	**361 892**	**708 968**	**781 256**	**744 614**	**305 246**	**746 913,00**	**787 246,00**	**829 758,00**
Depreciation Fixed Assets	-	-	-	-	-	-	20 550,00	20 550,00	20 550,00
Sub-Total: Depreciation	**-**	**-**	**-**	**-**	**-**	**-**	**20 550,00**	**20 550,00**	**20 550,00**
TOTAL OPERATING EXPENDITURE	**882 724**	**361 892**	**708 968**	**781 256**	**744 614**	**305 246**	**767 463,00**	**807 796,00**	**850 308,00**
NET OPERATING EXPENDITURE	**882 724**	**361 892**	**708 968**	**781 256**	**744 614**	**305 246**	**767 463,00**	**807 796,00**	**850 308,00**

ACCOUNTING SURPLUS / (DEFICIT)	**-882 724**	**-361 892**	**-708 968**	**-781 256**	**-744 614**	**-305 246**	**-767 463,00**	**-807 796,00**	**-850 308,00**
Contribution to Capital Budget (CRR)									
Contribution to Capital Budget (Capital Replacement Reserve)	-	-	-	-	-	-	-	-	-
Contribution to Capital Budget (Grants and Contributions)	-	-	-	-	-	-	-	-	-
Redemption of External Loans	-	-	-	-	-	-	-	-	-
Plus:									
Offset Depreciation	-	-	-	-	-	-	-20 550,00	-20 550,00	-20 550,00
BUDGET SURPLUS/ (DEFICIT)	**-882 724**	**-361 892**	**-708 967,71**	**-781 256,00**	**-744 614,00**	**-305 246,38**	**-746 913,00**	**-787 246,00**	**-829 758,00**

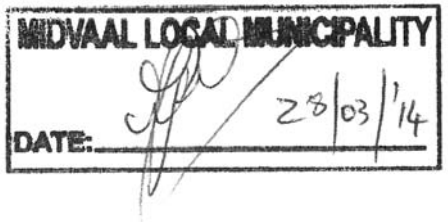


PMS

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
INCOME									
NET OPERATING INCOME	-	-	-	-	-	-	-	-	-

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
EXPENDITURE									
Basic Salaries	-	-	-	1 388 090	1 284 302	453 557	1 249 689,00	1 329 669,00	1 414 768,00
Housing Subsidy	-	-	-	12 000	11 591	7 648	12 000,00	12 768,00	13 585,00
Industrial Council Levy	-	-	-	288	295	152	326,00	347,00	369,00
Leave Bonus	-	-	-	57 716	54 835	17 894	60 717,00	64 603,00	68 737,00
Overtime	-	-	-	10 000	9 659	-	10 335,00	10 996,00	11 700,00
Telephone Allowance	-	-	-	16 800	16 227	3 200	16 800,00	17 875,00	19 019,00
Travelling Allowance	-	-	-	65 000	65 783	46 432	68 000,00	72 352,00	76 983,00
UIF	-	-	-	9 918	9 491	3 569	7 170,00	7 629,00	8 117,00
Skills Development Levy	-	-	-	-	14 884	5 225	14 547,00	15 478,00	16 469,00
Group Insurance	-	-	-	5 458	5 264	3 633	5 826,00	6 199,00	6 596,00
Medical Aid Fund	-	-	-	41 944	46 018	33 323	47 448,00	50 485,00	53 716,00
Pension Fund	-	-	-	152 370	144 764	94 599	160 292,00	170 551,00	181 466,00
Sub-Total: Remuneration of Employees and Councillors	**-**	**-**	**-**	**1 759 584**	**1 663 113**	**669 233**	**1 653 150,00**	**1 758 952,00**	**1 871 525,00**
Computer Requirements / Services	4 076	5 169	5 182	5 694	1 733	86	1 733,00	1 827,00	1 925,00
Congresses / Professional Meetings	5 985	580	2 599	9 650	9 197	5 704	9 197,00	9 694,00	10 217,00
Marketing / Promotions / Advertisements	-	-	7 719	14 475	13 796	-	-	-	-
Non Capital Assets	1 588	-	-	7 728	-	-	-	-	-
Stationery / Printing / Binding	3 540	4 469	4 814	4 729	2 178	1 188	2 287,00	2 410,00	2 541,00
Stores and Materials	4 778	4 484	4 742	4 729	2 378	2 525	2 378,00	2 506,00	2 642,00
Skills Development Levy	-	-	-	15 915	-	-	-	-	-
Sub-Total: General Expenditure	**19 966**	**14 702**	**25 055**	**62 920**	**29 282**	**9 503**	**15 595,00**	**16 437,00**	**17 325,00**
Contracted Services: General	850 146	811 374	1 098 547	1 556 928	1 231 505	632 532	1 608 454,00	1 695 311,00	1 786 857,00
Sub-Total: Contracted Services	**850 146**	**811 374**	**1 098 547**	**1 556 928**	**1 231 505**	**632 532**	**1 608 454,00**	**1 695 311,00**	**1 786 857,00**
TOTAL OPERATING EXPENDITURE	**870 111**	**826 076**	**1 123 603**	**3 379 432**	**2 923 900**	**1 311 267**	**3 277 199,00**	**3 470 700,00**	**3 675 707,00**
NET OPERATING EXPENDITURE	**870 111**	**826 076**	**1 123 603**	**3 379 432**	**2 923 900**	**1 311 267**	**3 277 199,00**	**3 470 700,00**	**3 675 707,00**

ACCOUNTING SURPLUS / (DEFICIT)	**-870 111**	**-826 076**	**-1 123 603**	**-3 379 432**	**-2 923 900**	**-1 311 267**	**-3 277 199,00**	**-3 470 700,00**	**-3 675 707,00**
Contribution to Capital Budget (CRR)									
Contribution to Capital Budget (Capital Replacement Reserve)	-	-	-	50 000	-	-	-	-	-
Contribution to Capital Budget (Grants and Contributions)	-	-	-	-	-	-	-	-	-
Redemption of External Loans	-	-	-	-	-	-	-	-	-
Plus:									
Offset Depreciation	-	-	-	-	-	-	-	-	-
BUDGET SURPLUS/ (DEFICIT)	**-870 111**	**-826 076**	**-1 123 602,62**	**-3 429 432,00**	**-2 923 900,00**	**-1 311 267,15**	**-3 277 199,00**	**-3 470 700,00**	**-3 675 707,00**

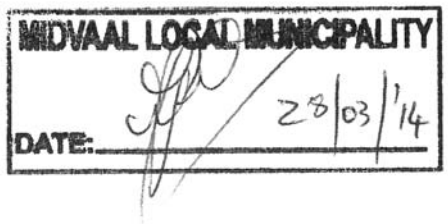


IT

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
INCOME									
Sedibeng Capital Grants	-	794 333	-			-	-	-	-
Sub-Total: District Municipality Grants	**-**	**794 333**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Sub-Total: Government Grants and Subsidies	**-**	**794 333**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Sundry Income	-	-	154 003,08	-	-	-	-	-	-
Sub-Total: Other Income	**-**	**-**	**154 003**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL OPERATING INCOME	**-**	**794 333**	**154 003**	**-**	**-**	**-**	**-**	**-**	**-**
NET OPERATING INCOME	**-**	**794 333**	**154 003**	**-**	**-**	**-**	**-**	**-**	**-**

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
EXPENDITURE									
Basic Salaries	-	-	-	547 703	529 026	359 107	584 543,00	621 954,00	661 759,00
Industrial Council Levy	-	-	-	288	278	203	326,00	347,00	369,00
Leave Bonus	-	-	-	45 642	44 086	-	48 712,00	51 830,00	55 147,00
Standby Allowance	-	-	-	-	20 000	13 437	50 000,00	53 200,00	56 605,00
UIF	-	-	-	5 933	5 731	4 153	6 333,00	6 738,00	7 170,00
Skills Development Levy	-	-	-	-	5 731	3 867	7 084,00	7 537,00	8 020,00
Medical Aid Fund	-	-	-	-	56 318	40 568	75 169,00	79 980,00	85 099,00
Pension Fund	-	-	-	120 495	116 386	65 624	105 218,00	111 952,00	119 117,00
Sub-Total: Remuneration of Employees and Councillors	**-**	**-**	**-**	**720 061**	**777 556**	**486 960**	**877 385,00**	**933 538,00**	**993 286,00**
Computer Requirements / Services	26 033	31 864	85 482	48 250	48 250	47 036	48 250,00	50 856,00	53 602,00
Congresses / Professional Meetings	-	-	-	-	450	450	450,00	474,00	500,00
Non Capital Assets	4 124	28 905	45 005	46 368	44 193	31 000	44 193,00	46 579,00	49 095,00
Stationery / Printing / Binding	2 233	3 391	2 348	4 825	4 599	562	4 829,00	5 090,00	5 365,00
Stores and Materials	5 622	4 065	7 748	10 133	9 658	2 982	9 658,00	10 180,00	10 729,00
Telecommunications	12 605	14 005	17 018	17 594	16 769	12 049	16 769,00	17 675,00	18 629,00
Skills Development Levy	21	-	-	5 933	-	-	-	-	-
Sub-Total: General Expenditure	**50 638**	**82 230**	**157 601**	**133 103**	**123 919**	**94 078**	**124 149,00**	**130 854,00**	**137 920,00**
Contracted Services: General	2 021 873	1 604 852	2 151 104	1 728 000	1 834 800	1 227 358	2 704 880,00	2 850 944,00	3 004 894,00
Sub-Total: Contracted Services	**2 021 873**	**1 604 852**	**2 151 104**	**1 728 000**	**1 834 800**	**1 227 358**	**2 704 880,00**	**2 850 944,00**	**3 004 894,00**
R & M: Furniture	2 582	2 049	2 784	15 900	15 900	-	16 485,00	18 463,00	20 679,00
R & M: IT Equipment and Back-ups	-	-	22 195	79 500	79 500	39 256	82 426,00	92 317,00	103 395,00
Sub-Total: Repairs and Maintenance	**2 582**	**2 049**	**24 979**	**95 400**	**95 400**	**39 256**	**98 911,00**	**110 780,00**	**124 074,00**
Depreciation Fixed Assets	-	210 677	212 586	179 512	179 512	104 715	500 331,00	594 331,00	594 331,00
Sub-Total: Depreciation	**-**	**210 677**	**212 586**	**179 512**	**179 512**	**104 715**	**500 331,00**	**594 331,00**	**594 331,00**
TOTAL OPERATING EXPENDITURE	**2 075 093**	**1 899 809**	**2 546 270**	**2 856 076**	**3 011 187**	**1 952 368**	**4 305 656,00**	**4 620 447,00**	**4 854 505,00**
NET OPERATING EXPENDITURE	**2 075 093**	**1 899 809**	**2 546 270**	**2 856 076**	**3 011 187**	**1 952 368**	**4 305 656,00**	**4 620 447,00**	**4 854 505,00**

ACCOUNTING SURPLUS / (DEFICIT)	**-2 075 093**	**-1 105 476**	**-2 392 267**	**-2 856 076**	**-3 011 187**	**-1 952 368**	**-4 305 656,00**	**-4 620 447,00**	**-4 854 505,00**
Contribution to Capital Budget (CRR)									
Contribution to Capital Budget (Capital Replacement Reserve)	-	-	-	450 000	640 000	-	470 000,00	-	-
Contribution to Capital Budget (Grants and Contributions)	-	794 333	-	-	-	-	-	-	-
Redemption of External Loans	-	-	-	-	-	-	-	-	-
Plus:									
Offset Depreciation	-	-210 677	-212 586	-179 512	-179 512	-	-500 331,00	-594 331,00	-594 331,00
BUDGET SURPLUS/ (DEFICIT)	**-2 075 093**	**-1 689 131**	**-2 179 681,42**	**-3 126 564,00**	**-3 471 675,00**	**-1 952 367,88**	**-4 275 325,00**	**-4 026 116,00**	**-4 260 174,00**

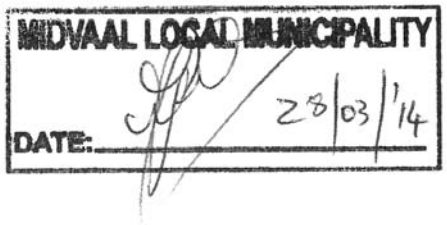


FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
INCOME									
Property Rates	111 987 174	135 979 805	153 069 162,99	168 111 500	168 111 500,00	112 332 151,56	188 679 659,00	201 887 235,00	216 019 342,00
Sub-Total: Property Rates	**71 588 823**	**90 132 840**	**96 501 087,54**	**118 111 500,00**	**108 977 776,00**	**71 056 081,11**	**126 097 425,00**	**133 672 600,00**	**141 665 390,00**
Other Cash Donations and Contributions	-	-	119 604,73			-	-	-	-
Sub-Total: Public Donations	**-**	**-**	**119 605**	**-**	**-**	**-**	**-**	**-**	**-**
Financial Management Grant	-	-	37 000,00	58 000	55 698	58 000,00	100 000,00	120 000,00	120 000,00
Sub-Total: National Grants (Capex)	**-**	**-**	**37 000**	**58 000**	**55 698**	**58 000**	**100 000,00**	**120 000,00**	**120 000,00**
Equitable Share Grant	4 145 861	5 585 170	6 078 000,00	4 999 742	4 999 742	3 750 321,22	5 664 750,00	6 187 486,00	6 968 372,00
Municipal Systems Improvement Grant	850 000	590 000	800 000,00	690 000	690 000	690 000,00	934 000,00	967 000,00	1 018 000,00
Financial Management Grant	1 000 000	1 250 000	1 213 000,00	642 000	644 302	642 000,00	1 350 000,00	1 380 000,00	1 580 000,00
Sub-Total: National Grants (Opex)	**5 995 861**	**7 425 170**	**8 091 000**	**6 331 742**	**6 334 044**	**5 082 321**	**7 948 750,00**	**8 534 486,00**	**9 566 372,00**
Sedibeng Capital Grants	115 394	-	-			-	-	-	-
Sub-Total: District Municipality Grants	**115 394**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Other Provincial Opex Grants	51 975	-	-			-	-	-	-
Sub-Total: Provincial Grants (Opex)	**51 975**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Sub-Total: Government Grants and Subsidies	**6 163 230**	**7 425 170**	**8 128 000**	**6 389 742**	**6 389 742**	**5 140 321**	**8 048 750,00**	**8 654 486,00**	**9 686 372,00**
Interest on Debtors Accounts	6 820 180	7 687 719	7 119 809,87	7 199 520	5 199 520	3 088 175,91	4 000 000,00	4 216 000,00	4 443 664,00
Interest on Bank and Investments	774 806	1 157 217	2 036 636,48	1 800 000	2 800 000	2 243 749,20	2 000 000,00	2 108 000,00	2 221 832,00
Sub-Total: Interest Received	**7 594 986**	**8 844 936**	**9 156 446**	**8 999 520**	**7 999 520**	**5 331 925**	**6 000 000,00**	**6 324 000,00**	**6 665 496,00**
Access to Information / Copies / Faxes	69 659	66 868	53 075,81	68 900	68 900	30 803,26	50 000,00	52 700,00	55 546,00
Cemetery Income	-	161	-	-	-	-	-	-	-
Lost Tokens	-	-	-	530	530	-	561,00	591,00	623,00
Valuation Roll Enquiries	1 404	877	-	848	848	-	898,00	946,00	998,00
Sundry Income	298 108	296 860	2 800 493,87	318 000	318 000	760 101,51	337 080,00	355 282,00	374 468,00
Surplus Cash	822	2 666	2 173,33	3 180	3 180	3 529,90	3 370,00	3 552,00	3 744,00
SCM Tender Deposits	86 416	64 649	109 900,00	68 900	68 900	63 950,00	73 034,00	76 978,00	81 135,00
Dishonoured Cheques	6 458	3 792	2 219,00	4 000	4 000	1 796,00	4 240,00	4 469,00	4 710,00
Clearance / Valuation Certificates	59 467	91 403	-	100 000	100 000	88 041,92	106 000,00	111 724,00	117 757,00
Sub-Total: Other Income	**522 335**	**527 276**	**2 967 862**	**564 358**	**564 358**	**948 223**	**575 183,00**	**606 242,00**	**638 981,00**
TOTAL OPERATING INCOME	**85 869 374**	**106 930 221**	**116 873 001**	**134 065 120**	**123 931 396**	**82 476 550**	**140 721 358,00**	**149 257 328,00**	**158 656 239,00**
NET OPERATING INCOME	**85 869 374**	**106 930 221**	**116 873 001**	**134 065 120**	**123 931 396**	**82 476 550**	**140 721 358,00**	**149 257 328,00**	**158 656 239,00**

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
EXPENDITURE									
Basic Salaries	7 894 822	9 053 684	10 777 467	10 501 029	11 039 457	7 250 147	13 054 871,00	13 890 383,00	14 779 367,00
Housing Subsidy	104 996	121 236	108 074	127 500	123 152	67 990	151 500,00	161 196,00	171 513,00
Industrial Council Levy	2 165	2 300	3 439	4 536	4 337	2 616	5 632,00	5 992,00	6 376,00
Leave Bonus	655 262	731 235	745 037	898 803	703 620	430 974	882 536,00	939 018,00	999 115,00
Overtime	20 408	27 537	33 890	60 000	50 000	31 969	53 500,00	56 924,00	60 567,00
Redemption of Leave	98 120	-	265 392	93 974	106 818	106 817	98 827,00	105 152,00	111 882,00
Standby Allowance	-	-	-	10 000	46 000	34 754	30 000,00	31 920,00	33 963,00
Telephone Allowance	36 000	35 375	39 214	58 800	85 295	55 700	87 300,00	92 887,00	98 832,00
Travelling Allowance	621 165	589 468	729 266	987 000	988 343	647 021	1 155 700,00	1 229 665,00	1 308 363,00
UIF	65 223	69 958	79 824	130 874	116 263	61 579	110 985,00	118 088,00	125 646,00
Skills Development Levy	-	-	117 276	-	133 292	86 223	164 925,00	175 480,00	186 711,00
Group Insurance	39 404	42 076	37 110	39 002	35 624	22 044	44 684,00	47 544,00	50 587,00
Medical Aid Fund	847 129	808 768	1 038 295	1 062 111	843 377	647 782	1 011 124,00	1 075 836,00	1 144 689,00
Pension Fund	1 591 939	1 806 066	1 940 898	2 528 622	2 329 352	1 467 312	2 802 847,00	2 982 229,00	3 173 092,00
Sub-Total: Remuneration of Employees and Councillors	**11 969 054**	**13 287 703**	**15 915 180**	**16 502 251**	**16 604 930**	**10 912 927**	**19 654 431,00**	**20 912 314,00**	**22 250 703,00**
Audit Fees	1 348 264	1 970 009	2 787 065	2 247 200	2 141 806	2 140 825	2 500 000,00	2 635 000,00	2 777 290,00
Bank Charges	1 104 431	1 092 414	1 234 066	947 410	902 976	673 403	1 400 000,00	1 475 600,00	1 555 282,00
Computer Requirements / Services	22 904	54 859	31 340	38 600	38 990	23 381	38 990,00	41 095,00	43 315,00
Congresses / Professional Meetings	21 997	26 540	27 118	27 889	40 401	41 453	40 401,00	42 583,00	44 882,00
Cash Collection	167 525	261 800	163 402	276 183	263 230	111 005	263 230,00	277 444,00	292 426,00
Fuel Miscellaneous	5 897	10 338	11 052	9 264	23 979	4 174	-	-	-
Fleet - Fuel	-	-	-	-	4 755	5 451	[illegible]	766,00	7 131,00
Fleet - Oil	-	-	-	-	95	[illegible]	[illegible]	105,00	111,00
Medical Expenses	-	-	-	-	350 000	349 934	350 000,00	368 [illegible]00,00	388 821,00

MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/14

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
Entertainment	13 815	13 873	14 942	15 440	14 716	12 534	20 800,00	21 923,00	23 107,00
Legal Expenses	17 946	47 453	196 580	144 750	137 961	492	144 859,00	152 681,00	160 926,00
License Fees	470	552	600	772	1 236	300	1 298,00	1 368,00	1 442,00
Marketing / Promotions / Advertisements	38 964	41 257	120 020	102 290	93 673	16 113	150 000,00	158 100,00	166 637,00
Periodicals / Reference Books / Magazines	141	1 310	2 915	2 895	3 259	3 138	3 259,00	3 435,00	3 620,00
Postage	798 187	938 845	903 503	921 575	878 353	496 554	922 271,00	972 074,00	1 024 566,00
Non Capital Assets	46 680	89 252	125 634	53 323	55 822	15 167	55 822,00	58 836,00	62 014,00
Rental	32 800	32 919	29 894	114 739	109 358	89 269	166 780,00	175 786,00	185 279,00
Stationery / Printing / Binding	275 075	248 670	285 957	241 250	232 935	186 233	244 582,00	257 789,00	271 710,00
Stores and Materials	39 236	63 219	52 493	64 655	63 623	47 143	63 623,00	67 059,00	70 680,00
Service Charges	750 779	630 784	867 364	695 572	662 950	631 529	662 950,00	698 749,00	736 482,00
Telecommunications	78 071	83 875	72 439	81 832	78 494	64 680	78 494,00	82 733,00	87 200,00
Training	-	30 733	32 358	35 802	37 123	2 330	37 123,00	39 128,00	41 241,00
Valuation Roll	1 768 501	1 213 570	212 564	2 045 800	245 800	148 596	245 800,00	259 073,00	273 063,00
Insurance - Premiums	1 248 485	1 769 513	-	2 000 000	1 906 200	1 842 524	2 001 510,00	2 109 592,00	2 223 509,00
Insurance - Excess Payments	299 949	-40 870	-	106 000	92 731	-221 657	92 731,00	97 738,00	103 016,00
Insurance - Portion of Self Insurance	214 478	37 494	-	106 000	101 029	-	101 029,00	106 485,00	112 235,00
Skills Development Levy	88 796	100 608	-	149 942	-	-	-	-	-
Sub-Total: General Expenditure	**8 383 392**	**8 719 018**	**7 171 306**	**10 429 183**	**8 481 495**	**6 683 671**	**9 592 071,00**	**10 110 042,00**	**10 655 985,00**
Interest: External Borrowings	-	-	284 756	-	-	-	-	-	-
Sub-Total: Interest External Borrowings	**-**	**-**	**284 756**	**-**	**-**	**-**	**-**	**-**	**-**
Contracted Services: General	3 894 090	3 424 961	5 582 143	4 800 000	4 891 762	2 298 288	7 785 861,00	8 206 297,00	8 649 438,00
Contracted Services: Debt Collection Commission	-	-	-	-	1 900 000	11 978	2 037 000,00	2 146 998,00	2 262 936,00
Sub-Total: Contracted Services	**3 894 090**	**3 424 961**	**5 582 143**	**4 800 000**	**6 791 762**	**2 310 266**	**9 822 861,00**	**10 353 295,00**	**10 912 374,00**
R & M: Buildings, Fences and Sites	16 873	16 949	139 522	134 800	139 800	76 629	240 000,00	268 800,00	301 056,00
R & M: Furniture	1 540	5 550	504	1 000	1 000	602	960,00	1 075,00	1 204,00
R & M: Fleet Miscellaneous	-	-	4 420	10 600	10 600	2 297	11 520,00	12 902,00	14 451,00
R & M: Fleet	-	-	-	-	2 000	-	-	-	-
Sub-Total: Repairs and Maintenance	**18 413**	**22 499**	**144 445**	**146 400**	**153 400**	**79 528**	**252 480,00**	**282 777,00**	**316 711,00**
Pensioner Grants: Additional Assessment Rates Rebate	-	-	-			-	250 000,00	267 500,00	286 225,00
Indigent Grants: Additional Assessment Rates	-	-	-			-	681 950,00	729 687,00	780 765,00
Sub-Total: Grants Paid	**-**	**-**	**-**	**-**	**-**	**-**	**931 950,00**	**997 187,00**	**1 066 990,00**
Depreciation Fixed Assets	626 214	2 032 448	252 353	406 763	406 763	237 278	267 116,00	453 116,00	291 116,00
Sub-Total: Depreciation	**626 214**	**2 032 448**	**252 353**	**406 763**	**406 763**	**237 278**	**267 116,00**	**453 116,00**	**291 116,00**
Provision for Bad Debt	14 222 470	15 870 000	13 322 871	27 059 981	25 059 981	15 784 989	6 416 103,00	7 959 787,00	9 241 655,00
Sub-Total: Contributions to Provisions	**14 222 470**	**15 870 000**	**13 322 871**	**27 059 981**	**25 059 981**	**15 784 989**	**6 416 103,00**	**7 959 787,00**	**9 241 655,00**
TOTAL OPERATING EXPENDITURE	**39 113 633**	**43 356 629**	**42 673 055**	**59 344 578**	**57 498 331**	**36 008 660**	**46 937 012,00**	**51 068 518,00**	**54 735 534,00**
NET OPERATING EXPENDITURE	**39 113 633**	**43 356 629**	**42 673 055**	**59 344 578**	**57 498 331**	**36 008 660**	**46 937 012,00**	**51 068 518,00**	**54 735 534,00**
ACCOUNTING SURPLUS / (DEFICIT)	**46 755 741**	**63 573 592**	**74 199 946**	**74 720 542**	**66 433 065**	**46 467 890**	**93 784 346,00**	**98 188 810,00**	**103 920 705,00**
Contribution to Capital Budget (CRR)									
Contribution to Capital Budget (Capital Replacement Reserve)	-	2 535 249	15 588 200	60 000	60 000	-	40 000,00	500 000,00	500 000,00
Contribution to Capital Budget (Grants and Contributions)	115 394	-	37 000	58 000	55 698	-	100 000,00	120 000,00	120 000,00
Redemption of External Loans	3 863 412	-	9 871 389	-	-	-	-	-	-
Plus:									
Offset Depreciation	-626 214	-2 032 448	-252 353	-406 763	-406 763	-	-267 116,00	-453 116,00	-291 116,00
BUDGET SURPLUS/ (DEFICIT)	**43 403 149**	**63 070 791**	**48 955 710**	**75 009 305**	**66 724 130**	**46 467 889,99**	**93 911 462,00**	**98 021 926,00**	**103 591 821,00**



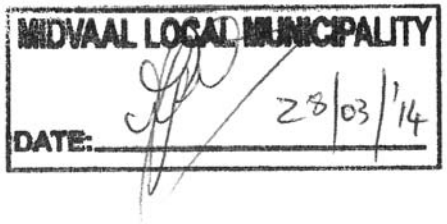
MANAGEMENT SERVICES

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
INCOME									
Financial Management Grant	-	-	-	600 000	600 000	600 000,00	-	-	-
Sub-Total: National Grants (Opex)	**-**	**-**	**-**	**600 000**	**600 000**	**600 000**	**-**	**-**	**-**
Sub-Total: Government Grants and Subsidies	**-**	**-**	**-**	**600 000**	**600 000**	**600 000**	**-**	**-**	**-**
Clearance / Valuation Certificates	-	-	-	-	49	49,00	-	-	-
SETA Refunds	411 285	627 634	662 707,73	848 000	1 028 000	379 846,79	800 000,00	843 200,00	888 733,00
Sub-Total: Other Income	**411 285**	**627 634**	**662 708**	**848 000**	**1 028 049**	**379 896**	**800 000,00**	**843 200,00**	**888 733,00**
TOTAL OPERATING INCOME	**411 285**	**627 634**	**662 708**	**1 448 000**	**1 628 049**	**979 896**	**800 000,00**	**843 200,00**	**888 733,00**
NET OPERATING INCOME	**411 285**	**627 634**	**662 708**	**1 448 000**	**1 628 049**	**979 896**	**800 000,00**	**843 200,00**	**888 733,00**

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
EXPENDITURE									
Acting Allowance	-	-	-	10 000	9 659	-	10 000,00	10 640,00	11 321,00
Basic Salaries	3 562 358	4 087 231	4 518 725	4 801 839	4 803 292	3 095 297	6 249 432,00	6 628 116,00	7 052 315,00
Housing Subsidy	44 597	51 329	49 088	54 000	58 159	31 336	66 000,00	70 224,00	74 718,00
Industrial Council Levy	849	746	1 226	1 440	1 576	959	3 182,00	3 386,00	3 602,00
Leave Bonus	351 256	359 629	331 799	319 549	294 057	140 357	339 510,00	361 239,00	384 358,00
Overtime	1 082	-	-	20 000	19 318	-	20 670,00	21 993,00	23 400,00
Redemption of Leave	4 721	19 531	4 435	8 602	8 296	-	9 181,00	9 769,00	10 394,00
Standby Allowance	2 042	-	-	25 000	24 147	-	25 000,00	26 600,00	28 302,00
Telephone Allowance	44 400	44 400	44 313	44 400	54 886	37 600	80 400,00	85 546,00	91 021,00
Travelling Allowance	359 935	379 089	387 106	410 000	416 019	281 292	642 000,00	683 088,00	726 806,00
UIF	24 242	22 704	27 546	59 634	60 687	21 193	42 963,00	45 713,00	48 638,00
Skills Development Levy	-	-	48 443	-	69 730	35 758	75 874,00	80 730,00	85 897,00
Group Insurance	3 540	3 756	4 010	4 301	4 148	2 863	4 590,00	4 884,00	5 196,00
Medical Aid Fund	599 196	765 523	762 839	743 743	556 968	311 749	470 887,00	501 024,00	533 089,00
Pension Fund	717 230	705 503	816 395	1 014 730	1 104 848	617 891	1 187 748,00	1 263 764,00	1 344 645,00
Sub-Total: Remuneration of Employees and Councillors	**5 715 449**	**6 439 442**	**6 995 924**	**7 517 238**	**7 485 790**	**4 576 295**	**9 227 437,00**	**9 796 716,00**	**10 423 702,00**
Bursaries and Student Practical Work	11 674	64 802	57 734	72 858	70 378	63 721	70 378,00	74 178,00	78 184,00
Compensation for Injuries and Diseases	-	545 200	530 000	850 000	828 000	827 319	828 000,00	872 712,00	919 838,00
Computer Requirements / Services	28 274	38 233	20 825	28 950	27 592	10 681	27 592,00	29 082,00	30 652,00
Congresses / Professional Meetings	11 126	16 853	6 603	25 777	43 630	42 513	43 630,00	45 986,00	48 469,00
Fuel Miscellaneous	4 028	6 440	8 468	19 300	2 065	2 064	-	-	-
Employee Assistance Programme	14 315	11 387	-19 328	42 962	40 947	-14 731	40 947,00	43 158,00	45 489,00
Fleet - Fuel	-	-	-	-	17 189	9 166	23 205,00	24 458,00	25 779,00
Fleet - Oil	-	-	-	-	191	-	201,00	212,00	223,00
Medical Expenses	5 378	2 712	-	28 950	27 592	500	27 592,00	29 082,00	30 652,00
Entertainment	8 271	9 018	11 556	12 173	11 602	7 328	18 600,00	19 604,00	20 663,00
HIV Programme	-	-	-	9 650	9 197	5 243	9 657,00	10 178,00	10 728,00
Legal Expenses	388 921	441 026	626 368	579 000	551 845	369 469	579 437,00	610 727,00	643 706,00
Long Service Recognition Awards	-	57 933	100 720	115 800	110 369	99 327	110 369,00	116 329,00	122 611,00
Marketing / Promotions / Advertisements	125 575	113 708	104 385	164 050	176 356	136 561	176 356,00	185 879,00	195 917,00
Occupational Safety	44 139	75 251	90 839	282 979	250 645	1 716	263 177,00	277 389,00	292 368,00
Periodicals / Reference Books / Magazines	4 403	5 735	4 886	8 106	7 726	1 740	7 726,00	8 143,00	8 583,00
Public Driver Permit (PDP)	-	-	-	-	3 000	-	3 000,00	3 162,00	3 333,00
Principal Job Evaluation Committee	130	67 943	20 911	25 573	4 374	496	4 374,00	4 610,00	4 859,00
Non Capital Assets	4 186	41 174	13 549	23 957	22 833	20 398	22 833,00	24 066,00	25 366,00
Rental	47 317	35 661	47 122	57 900	55 184	49 388	61 374,00	64 688,00	68 181,00
Stationery / Printing / Binding	42 607	45 815	44 059	44 197	42 124	38 180	44 230,00	46 618,00	49 136,00
Stores and Materials	10 541	8 257	11 909	9 650	9 197	7 407	9 197,00	9 694,00	10 217,00
Telecommunications	36 973	39 691	34 959	35 802	34 123	24 552	34 123,00	35 966,00	37 908,00
Tracking	-	-	4 950	9 650	9 197	-	9 197,00	9 694,00	10 217,00
Training	217 683	289 051	821 601	919 465	876 342	567 370	876 342,00	923 664,00	973 542,00
Insurance - Premiums	-	-	986 871	-	-	-	-	-	-
Skills Development Levy	40 652	42 337	-	64 371	-	-	-	-	-
Sub-Total: General Expenditure	**1 046 192**	**1 958 226**	**3 438 907**	**3 431 120**	**3 231 698**	**2 270 408**	**3 291 537,00**	**3 469 279,00**	**3 656 621,00**
Contracted Services: General	1 200	7 627	23 475	90 240	90 240	27 381	92 794,00	97 794,00	103 075,00
Contracted Services: OR Tambo Games	-	29 999	198 385	288 000	261 000	[illegible]	[illegible]	[illegible]	296 337,00

MIDVAAL LOCAL MUNICIPALITY
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FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
Sub-Total: Contracted Services	**1 200**	**37 627**	**221 860**	**378 240**	**351 240**	**342 773**	**359 534,00**	**378 949,00**	**399 412,00**
R & M: Buildings, Fences and Sites	10 838	148 317	14 705	10 000	10 000	4 005	10 176,00	11 397,00	12 765,00
R & M: Furniture	1 030	2 837	350	15 000	15 000	380	15 264,00	17 096,00	19 147,00
R & M: Fleet Miscellaneous	1 150	877	8 145	10 450	2 050	2 043	10 634,00	11 910,00	13 339,00
R & M: Fleet	-	-	-	-	8 400	-	-	-	-
Sub-Total: Repairs and Maintenance	**13 018**	**152 031**	**23 201**	**35 450**	**35 450**	**6 429**	**36 074,00**	**40 403,00**	**45 251,00**
Depreciation Fixed Assets	-	52 432	93 261	187 183	187 183	109 190	136 871,00	165 704,00	158 204,00
Sub-Total: Depreciation	**-**	**52 432**	**93 261**	**187 183**	**187 183**	**109 190**	**136 871,00**	**165 704,00**	**158 204,00**
TOTAL OPERATING EXPENDITURE	**6 775 859**	**8 639 758**	**10 773 152**	**11 549 231**	**11 291 361**	**7 305 095**	**13 051 453,00**	**13 851 051,00**	**14 683 190,00**
NET OPERATING EXPENDITURE	**6 775 859**	**8 639 758**	**10 773 152**	**11 549 231**	**11 291 361**	**7 305 095**	**13 051 453,00**	**13 851 051,00**	**14 683 190,00**
ACCOUNTING SURPLUS / (DEFICIT)	**-6 364 574**	**-8 012 124**	**-10 110 445**	**-10 101 231**	**-9 663 312**	**-6 325 199**	**-12 251 453,00**	**-13 007 851,00**	**-13 794 457,00**
Contribution to Capital Budget (CRR)									
Contribution to Capital Budget (Capital Replacement Reserve)	-	-	-	30 000	28 105	-	273 000,00	50 000,00	50 000,00
Contribution to Capital Budget (Grants and Contributions)	-	-	-	-	-	-	-	-	-
Redemption of External Loans	-	-	-	-	-	-	-	-	-
Plus:									
Offset Depreciation	-	-52 432	-93 261	-187 183	-187 183	-	-136 871,00	-165 704,00	-158 204,00
BUDGET SURPLUS/ (DEFICIT)	**-6 364 574**	**-7 959 692**	**-10 017 183,01**	**-9 944 048,00**	**-9 504 234,00**	**-6 325 199,39**	**-12 387 582,00**	**-12 892 147,00**	**-13 686 253,00**



MIDVAAL LOCAL MUNICIPALITY
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DEVELOPMENT AND PLANNING

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
INCOME									
Other Cash Donations and Contributions	-	9 005	-			-	-	-	-
Sub-Total: Public Donations	**-**	**9 005**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Recovered Legal Costs	18 730	48 096	41 660,51	32 000	232 000	24 536,05	50 000,00	52 700,00	55 546,00
Services Charges	-	655 771	-	-	-	-	-	-	-
Sub-Total: Other Income	**18 730**	**703 867**	**41 661**	**32 000**	**232 000**	**24 536**	**50 000,00**	**52 700,00**	**55 546,00**
TOTAL OPERATING INCOME	**18 730**	**712 872**	**41 661**	**32 000**	**232 000**	**24 536**	**50 000,00**	**652 700,00**	**805 546,00**
NET OPERATING INCOME	**18 730**	**712 872**	**41 661**	**32 000**	**232 000**	**24 536**	**50 000,00**	**652 700,00**	**805 546,00**

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
EXPENDITURE									
Acting Allowance	-	-	-	10 000	9 659	-	10 000,00	10 640,00	11 321,00
Basic Salaries	2 566 451	3 385 871	3 220 410	3 246 979	3 137 966	2 058 766	4 665 682,00	4 964 286,00	5 282 000,00
Housing Subsidy	33 429	46 865	41 200	47 500	45 935	29 033	47 500,00	50 540,00	53 775,00
Industrial Council Levy	738	832	1 083	1 008	1 116	673	1 306,00	1 390,00	1 479,00
Leave Bonus	193 737	259 853	207 654	270 582	261 355	142 753	306 286,00	325 888,00	346 745,00
Overtime	-	-	-	11 000	10 625	-	11 369,00	12 097,00	12 871,00
Redemption of Leave	48 815	21 585	70 137	33 013	31 838	-	35 235,00	37 490,00	39 889,00
Telephone Allowance	37 103	36 600	37 055	39 600	37 350	26 400	66 300,00	70 543,00	75 058,00
Travelling Allowance	589 160	654 203	637 915	787 000	765 163	439 998	937 600,00	997 606,00	1 061 453,00
UIF	20 914	23 748	23 942	44 457	43 000	15 696	30 956,00	32 937,00	35 045,00
Skills Development Levy	-	-	38 254	-	45 812	26 609	63 800,00	67 883,00	72 228,00
Group Insurance	5 951	7 963	4 027	3 894	3 755	2 592	8 214,00	8 740,00	9 299,00
Medical Aid Fund	190 114	242 055	268 070	317 830	281 215	198 718	322 703,00	343 356,00	365 331,00
Pension Fund	572 153	683 328	636 715	691 511	668 340	436 697	943 438,00	1 003 818,00	1 068 062,00
Sub-Total: Remuneration of Employees and Councillors	**4 258 566**	**5 362 903**	**5 186 462**	**5 504 374**	**5 343 129**	**3 377 935**	**7 450 389,00**	**7 927 214,00**	**8 434 556,00**
Computer Requirements / Services	5 103	2 474	3 373	2 895	2 759	2 671	2 759,00	2 908,00	3 065,00
Congresses / Professional Meetings	7 308	72 221	39 393	19 300	18 395	11 381	18 395,00	19 388,00	20 435,00
Entertainment	12 058	8 418	12 121	15 344	24 155	12 338	18 000,00	18 972,00	19 996,00
Legal Expenses	620 427	496 394	415 728	482 500	459 871	213 869	482 865,00	508 940,00	536 422,00
Marketing / Promotions / Advertisements	42 118	21 535	54 813	51 145	48 746	27 420	48 746,00	51 378,00	54 153,00
Periodicals / Reference Books / Magazines	-	-	401	1 448	1 380	350	1 380,00	1 455,00	1 533,00
Social Services Programme	-	34 181	13 858	72 375	59 450	12 994	59 450,00	62 660,00	66 044,00
Non Capital Assets	3 527	9 472	57 210	70 638	67 325	34 347	67 325,00	70 961,00	74 792,00
Stationery / Printing / Binding	36 749	46 440	46 857	38 600	36 790	32 948	38 630,00	40 716,00	42 915,00
Stores and Materials	2 910	6 852	11 241	19 300	27 926	10 802	27 926,00	29 434,00	31 023,00
Telecommunications	70 043	67 263	74 600	76 718	96 403	43 847	96 403,00	101 609,00	107 096,00
Skills Development Levy	31 975	38 110	-	47 635	-	-	-	-	-
Sub-Total: General Expenditure	**832 216**	**803 362**	**729 594**	**897 898**	**843 200**	**402 968**	**861 879,00**	**908 421,00**	**957 474,00**
Interest: External Borrowings	-	-	-	1 425 764	1 425 764	-	-	-	-
Sub-Total: Interest External Borrowings	**-**	**-**	**-**	**1 425 764**	**1 425 764**	**-**	**-**	**-**	**-**
Contracted Services: General	311 591	178 559	348 326	5 837 600	1 057 535	121 005	1 125 200,00	1 185 961,00	1 250 003,00
Sub-Total: Contracted Services	**311 591**	**178 559**	**348 326**	**5 837 600**	**1 057 535**	**121 005**	**1 125 200,00**	**1 185 961,00**	**1 250 003,00**
R & M: Furniture	224	2 210	1 285	5 300	5 300	-	5 280,00	5 914,00	6 623,00
Sub-Total: Repairs and Maintenance	**224**	**2 210**	**1 285**	**5 300**	**5 300**	**-**	**5 280,00**	**5 914,00**	**6 623,00**
Depreciation Fixed Assets	794 135	171 926	262 668	56 392	56 392	32 895	282 316,00	338 816,00	301 316,00
Sub-Total: Depreciation	**794 135**	**171 926**	**262 668**	**56 392**	**56 392**	**32 895**	**282 316,00**	**338 816,00**	**301 316,00**
TOTAL OPERATING EXPENDITURE	**6 196 732**	**6 518 960**	**6 528 335**	**13 727 328**	**8 731 320**	**3 934 803**	**9 725 064,00**	**10 366 326,00**	**10 949 972,00**
NET OPERATING EXPENDITURE	**6 196 732**	**6 518 960**	**6 528 335**	**13 727 328**	**8 731 320**	**3 934 803**	**9 725 064,00**	**10 366 326,00**	**10 949 972,00**

ACCOUNTING SURPLUS / (DEFICIT)	**-6 178 002**	**-5 806 088**	**-6 486 674**	**-13 695 328**	**-8 499 320**	**-3 910 267**	**-9 675 064,00**	**-9 713 626,00**	**-10 144 426,00**
Contribution to Capital Budget (CRR)									
Contribution to Capital Budget (Capital Replacement Reserve)	-	-	-	37 500	36 214	-	125 000,00	50 000,00	50 000,00
Contribution to Capital Budget (Grants and Contributions)	-	-	-	-	-	-	-	600 000,00	750 000,00
Redemption of External Loans	-	-	-	169 313	169 313	-	-	-	-
Plus:									
Offset Depreciation	-794 135	-171 926	-262 668	-56 392	-56 392	-	-282 316,00	-338 816,00	-301 316,00
BUDGET SURPLUS/ (DEFICIT)	**-5 383 867**	**-5 634 162**	**-6 224 006,12**	**-13 845 749,00**	**-8 648 455,00**	**-3 910 267,00**	**-9 517 748,00**	**-10 024 810,00**	**-10 643 110,00**

BLD CONTR

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
INCOME									
Sundry Income	5 291	160 107	5 766,84	5 300	1 000	-	1 000,00	1 054,00	1 111,00
Deposit Road Closure	868 202	542 981	-			-	-	-	-
Advertising / Signs / Billboards	72 600	36 086	32 170,17	35 000	-	-	25 000,00	26 350,00	27 773,00
Building Plan Copies	17 160	19 948	26 611,88	20 140	40 000	35 389,21	40 000,00	42 160,00	44 437,00
Building Plan Fees	1 103 109	1 215 892	1 567 984,14	1 484 000	1 484 000	919 968,12	1 500 000,00	1 581 000,00	1 666 374,00
Sub-Total: Other Income	**2 066 362**	**1 975 014**	**1 632 533**	**1 544 440**	**1 525 000**	**955 357**	**1 566 000,00**	**1 650 564,00**	**1 739 695,00**
TOTAL OPERATING INCOME	**2 066 362**	**1 975 014**	**1 632 533**	**1 544 440**	**1 525 000**	**955 357**	**1 566 000,00**	**1 650 564,00**	**1 739 695,00**
NET OPERATING INCOME	**2 066 362**	**1 975 014**	**1 632 533**	**1 544 440**	**1 525 000**	**955 357**	**1 566 000,00**	**1 650 564,00**	**1 739 695,00**

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
EXPENDITURE									
Acting Allowance	-	-	-	5 000	4 829	-	5 000,00	5 320,00	5 660,00
Basic Salaries	1 590 620	1 849 444	2 430 895	2 777 459	2 713 229	1 652 041	3 061 578,00	3 257 519,00	3 466 000,00
Housing Subsidy	23 708	30 045	37 602	42 000	40 568	24 866	42 000,00	44 688,00	47 548,00
Industrial Council Levy	439	410	785	936	959	578	1 143,00	1 216,00	1 294,00
Leave Bonus	142 914	128 886	171 588	231 455	197 917	148 593	237 372,00	252 564,00	268 728,00
Redemption of Leave	-	2 670	21 896	24 873	47 373	47 271	26 547,00	28 246,00	30 054,00
Telephone Allowance	23 100	19 800	29 400	34 200	33 034	19 897	34 200,00	36 389,00	38 718,00
Travelling Allowance	438 023	448 266	671 504	870 000	853 333	491 541	806 000,00	857 584,00	912 469,00
UIF	13 052	12 283	18 360	39 850	38 669	13 737	26 004,00	27 668,00	29 439,00
Skills Development Levy	-	-	30 681	-	41 330	23 436	45 176,00	48 067,00	51 144,00
Group Insurance	7 110	7 542	8 053	8 636	8 331	5 750	9 219,00	9 809,00	10 437,00
Medical Aid Fund	170 122	172 350	224 942	284 244	266 081	168 526	309 916,00	329 751,00	350 855,00
Pension Fund	349 936	353 004	479 051	654 302	638 682	343 637	677 689,00	721 061,00	767 209,00
Sub-Total: Remuneration of Employees and Councillors	**2 759 024**	**3 024 700**	**4 124 758**	**4 972 955**	**4 884 335**	**2 939 872**	**5 281 844,00**	**5 619 882,00**	**5 979 555,00**
Computer Requirements / Services	-	10 052	4 629	6 273	5 979	5 953	5 979,00	6 302,00	6 642,00
Congresses / Professional Meetings	-	-	-	-	450	450	450,00	474,00	500,00
Periodicals / Reference Books / Magazines	2 418	-	-	4 825	4 599	-	4 599,00	4 847,00	5 109,00
Non Capital Assets	-	10 894	11 560	12 287	11 711	-	11 711,00	12 343,00	13 010,00
Rental	161 462	36 713	44 670	46 031	43 872	34 350	60 000,00	63 240,00	66 655,00
Stationery / Printing / Binding	18 070	31 988	34 993	33 775	32 191	28 995	33 801,00	35 626,00	37 550,00
Stores and Materials	2 982	5 618	6 657	6 755	6 438	2 114	6 438,00	6 786,00	7 152,00
Skills Development Levy	20 345	21 026	-	42 692	-	-	-	-	-
Sub-Total: General Expenditure	**205 277**	**116 290**	**102 509**	**152 638**	**105 240**	**71 863**	**122 978,00**	**129 618,00**	**136 618,00**
Contracted Services: General	1 756 429	2 006 914	1 478 197	1 392 000	1 392 000	306 190	1 455 000,00	1 533 570,00	1 616 383,00
Sub-Total: Contracted Services	**1 756 429**	**2 006 914**	**1 478 197**	**1 392 000**	**1 392 000**	**306 190**	**1 455 000,00**	**1 533 570,00**	**1 616 383,00**
R & M: Buildings, Fences and Sites	8 923	26 637	38 673	56 180	81 180	36 233	72 000,00	80 640,00	90 317,00
R & M: Furniture	-	2 697	825	2 120	2 120	1 090	2 880,00	3 226,00	3 613,00
Sub-Total: Repairs and Maintenance	**8 923**	**29 334**	**39 498**	**58 300**	**83 300**	**37 323**	**74 880,00**	**83 866,00**	**93 930,00**
Depreciation Fixed Assets	-	616 081	877 526	11 512	11 512	6 715	877 580,00	877 580,00	877 580,00
Sub-Total: Depreciation	**-**	**616 081**	**877 526**	**11 512**	**11 512**	**6 715**	**877 580,00**	**877 580,00**	**877 580,00**
TOTAL OPERATING EXPENDITURE	**4 729 653**	**5 793 319**	**6 622 488**	**6 587 405**	**6 476 387**	**3 361 964**	**7 812 282,00**	**8 244 516,00**	**8 704 066,00**
NET OPERATING EXPENDITURE	**4 729 653**	**5 793 319**	**6 622 488**	**6 587 405**	**6 476 387**	**3 361 964**	**7 812 282,00**	**8 244 516,00**	**8 704 066,00**

ACCOUNTING SURPLUS / (DEFICIT)	**-2 663 291**	**-3 818 304**	**-4 989 955**	**-5 042 965**	**-4 951 387**	**-2 406 606**	**-6 246 282,00**	**-6 593 952,00**	**-6 964 371,00**
Contribution to Capital Budget (CRR)									
Contribution to Capital Budget (Capital Replacement Reserve)	-	-	-	-	-	-	-	-	-
Contribution to Capital Budget (Grants and Contributions)	-	-	-	-	-	-	-	-	-
Redemption of External Loans	-	-	-	-	-	-	-	-	-
Plus:									
Offset Depreciation	-	-616 081	-877 526	-11 512	-11 512	-	-877 580,00	-877 580,00	-877 580,00
BUDGET SURPLUS/ (DEFICIT)	**-2 663 291**	**-3 202 223**	**-4 112 429,01**	**-5 031 453,00**	**-4 939 875,00**	**-2 406 606,38**	**-5 368 702,00**	**-5 716 372,00**	**-6 086 791,00**

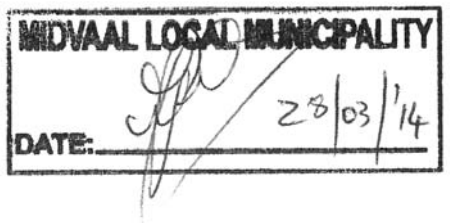
MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/14

TOWN PLANNING

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
INCOME									
Other Cash Donations and Contributions	780 000	-	-			-	-	-	-
Sub-Total: Public Donations	**780 000**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Planning Fees	220 062	229 248	222 409,67	265 000	240 000	199 320,66	265 000,00	279 310,00	294 393,00
Sub-Total: Other Income	**220 062**	**229 248**	**222 410**	**265 000**	**240 000**	**199 321**	**265 000,00**	**279 310,00**	**294 393,00**
TOTAL OPERATING INCOME	**1 000 062**	**229 248**	**222 410**	**265 000**	**240 000**	**199 321**	**265 000,00**	**279 310,00**	**294 393,00**
NET OPERATING INCOME	**1 000 062**	**229 248**	**222 410**	**265 000**	**240 000**	**199 321**	**265 000,00**	**279 310,00**	**294 393,00**

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
EXPENDITURE									
Acting Allowance	-	-	-	5 000	4 829	-	5 000,00	5 320,00	5 660,00
Basic Salaries	1 603 952	1 648 742	1 760 086	1 614 476	1 572 530	1 025 881	939 961,00	1 000 119,00	1 064 126,00
Housing Subsidy	11 352	13 570	18 000	6 000	11 795	6 692	18 000,00	19 152,00	20 378,00
Industrial Council Levy	246	197	286	360	369	241	408,00	434,00	462,00
Leave Bonus	207 816	202 705	148 820	58 514	56 621	58 616	54 817,00	58 325,00	62 058,00
Redemption of Leave	6 290	-	15 676	7 230	11 930	11 916	7 717,00	8 211,00	8 736,00
Telephone Allowance	39 600	36 000	36 000	32 400	43 295	26 600	38 400,00	40 858,00	43 472,00
Travelling Allowance	394 526	352 231	381 852	344 000	332 270	189 462	236 000,00	251 104,00	267 175,00
UIF	7 487	5 989	6 756	11 490	11 171	4 591	7 652,00	8 142,00	8 663,00
Skills Development Levy	-	-	21 023	-	20 970	12 617	14 034,00	14 932,00	15 888,00
Group Insurance	4 493	-	-	-	-	-	-	-	-
Medical Aid Fund	108 696	82 895	84 357	78 479	68 669	41 848	108 547,00	115 494,00	122 886,00
Pension Fund	303 877	268 306	296 459	279 355	289 341	184 465	169 324,00	180 161,00	191 691,00
Sub-Total: Remuneration of Employees and Councillors	**2 688 334**	**2 610 635**	**2 769 313**	**2 437 304**	**2 423 790**	**1 562 928**	**1 599 860,00**	**1 702 252,00**	**1 811 195,00**
Computer Requirements / Services	-	2 035	1 385	4 825	4 599	3 798	4 599,00	4 847,00	5 109,00
Congresses / Professional Meetings	-	9 779	-	11 580	11 037	1 107	11 037,00	11 633,00	12 261,00
Periodicals / Reference Books / Magazines	-	-	117	1 448	1 380	583	1 380,00	1 455,00	1 533,00
Rental	14 952	32 880	28 819	46 031	57 842	41 105	70 000,00	73 780,00	77 764,00
Stationery / Printing / Binding	12 292	13 797	12 480	16 405	15 636	13 836	16 418,00	17 305,00	18 239,00
Stores and Materials	11 383	11 823	19 354	9 650	9 197	4 175	9 197,00	9 694,00	10 217,00
Skills Development Levy	20 842	19 470	-	21 461	-	-	-	-	-
Sub-Total: General Expenditure	**59 469**	**89 784**	**62 154**	**111 400**	**99 691**	**64 604**	**112 631,00**	**118 714,00**	**125 123,00**
Contracted Services: General	1 462 684	528 162	308 052	528 000	528 000	24 410	582 000,00	613 428,00	646 553,00
Sub-Total: Contracted Services	**1 462 684**	**528 162**	**308 052**	**528 000**	**528 000**	**24 410**	**582 000,00**	**613 428,00**	**646 553,00**
R & M: Buildings, Fences and Sites	2 675	8 214	132	15 900	15 900	-	19 200,00	21 504,00	24 084,00
R & M: Furniture	-	-	-	5 000	5 000	-	4 800,00	5 376,00	6 021,00
Sub-Total: Repairs and Maintenance	**2 675**	**8 214**	**132**	**20 900**	**20 900**	**-**	**24 000,00**	**26 880,00**	**30 105,00**
Depreciation Fixed Assets	-	22 168	19 581	31 718	31 718	18 502	18 605,00	18 605,00	18 605,00
Sub-Total: Depreciation	**-**	**22 168**	**19 581**	**31 718**	**31 718**	**18 502**	**18 605,00**	**18 605,00**	**18 605,00**
TOTAL OPERATING EXPENDITURE	**4 213 162**	**3 258 964**	**3 159 232**	**3 129 322**	**3 104 099**	**1 670 444**	**2 337 096,00**	**2 479 879,00**	**2 631 581,00**
NET OPERATING EXPENDITURE	**4 213 162**	**3 258 964**	**3 159 232**	**3 129 322**	**3 104 099**	**1 670 444**	**2 337 096,00**	**2 479 879,00**	**2 631 581,00**

ACCOUNTING SURPLUS / (DEFICIT)	**-3 213 100**	**-3 029 716**	**-2 936 823**	**-2 864 322**	**-2 864 099**	**-1 471 123**	**-2 072 096,00**	**-2 200 569,00**	**-2 337 188,00**
Contribution to Capital Budget (CRR)									
Contribution to Capital Budget (Capital Replacement Reserve)	-	-	-	-	-	-	-	-	-
Contribution to Capital Budget (Grants and Contributions)	-	-	-	-	-	-	-	-	-
Redemption of External Loans	-	-	-	-	-	-	-	-	-
Plus:									
Offset Depreciation	-	-22 168	-19 581	-31 718	-31 718	-	-18 605,00	-18 605,00	-18 605,00
BUDGET SURPLUS/ (DEFICIT)	**-3 213 100**	**-3 007 548**	**-2 917 241,84**	**-2 832 604,00**	**-2 832 381,00**	**-1 471 123,47**	**-2 053 491,00**	**-2 181 964,00**	**-2 318 583,00**



CLINIC RANDVAAL

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
INCOME									
Provincial Health Subsidy	875 382	557 921	519 244,33	1 020 446	1 020 446	432 639,28	1 086 774,00	1 145 460,00	1 207 315,00
Sub-Total: Provincial Grants (Opex)	**875 382**	**557 921**	**519 244**	**1 020 446**	**1 020 446**	**432 639**	**1 086 774,00**	**1 145 460,00**	**1 207 315,00**
Sub-Total: Government Grants and Subsidies	**875 382**	**557 921**	**519 244**	**1 020 446**	**1 020 446**	**432 639**	**1 086 774,00**	**1 145 460,00**	**1 207 315,00**
TOTAL OPERATING INCOME	**875 382**	**557 921**	**519 244**	**1 020 446**	**1 020 446**	**432 639**	**1 086 774,00**	**1 145 460,00**	**1 207 315,00**
NET OPERATING INCOME	**875 382**	**557 921**	**519 244**	**1 020 446**	**1 020 446**	**432 639**	**1 086 774,00**	**1 145 460,00**	**1 207 315,00**

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
EXPENDITURE									
Basic Salaries	419 571	297 025	311 689	293 355	282 905	206 109	313 089,00	333 127,00	354 447,00
Housing Subsidy	5 251	-	-	-	-	-	-	-	-
Industrial Council Levy	144	98	143	144	147	102	163,00	173,00	185,00
Leave Bonus	34 873	21 345	22 847	24 446	23 575	-	26 091,00	27 761,00	29 538,00
Overtime	-	-	2 770	-	-	-	-	-	-
Redemption of Leave	3 540	-	-	-	-	-	-	-	-
UIF	4 079	2 657	2 901	3 178	3 065	2 061	3 392,00	3 609,00	3 840,00
Skills Development Levy	-	-	2 917	-	3 065	1 933	3 392,00	3 609,00	3 840,00
Group Insurance	2 254	2 391	2 553	2 739	2 641	1 823	2 923,00	3 110,00	3 309,00
Medical Aid Fund	28 285	-1 384	-	-	-	-	-	-	-
Pension Fund	94 211	62 070	66 271	78 258	75 470	47 320	83 523,00	88 868,00	94 556,00
Sub-Total: Remuneration of Employees and Councillors	**592 207**	**384 202**	**412 091**	**402 120**	**390 868**	**259 347**	**432 573,00**	**460 257,00**	**489 715,00**
Computer Requirements / Services	-	9 490	-	16 100	15 345	-	15 345,00	16 174,00	17 047,00
Congresses / Professional Meetings	-	-	-	12 190	11 618	-	11 618,00	12 245,00	12 907,00
Fuel Miscellaneous	12 247	17 907	16 433	38 796	3 437	3 436	-	-	-
Fleet - Fuel	-	-	-	-	34 812	-	46 996,00	49 534,00	52 209,00
Fleet - Oil	-	-	-	-	381	-	400,00	422,00	444,00
Medical Expenses	-	-	4 104	7 420	7 072	-	19 775,00	20 843,00	21 968,00
License Fees	480	268	324	1 802	1 717	-	1 803,00	1 900,00	2 003,00
Nutritional Care	-	-	-	19 292	18 387	-	18 387,00	19 380,00	20 426,00
Occupational Safety	-	2 084	2 698	1 776	1 693	-	1 778,00	1 874,00	1 975,00
Non Capital Assets	5 785	-	-	12 394	11 813	-	11 813,00	12 451,00	13 123,00
Rental	9 029	11 623	6 338	96 778	92 239	8 595	103 068,00	108 634,00	114 500,00
Stationery / Printing / Binding	7 966	8 448	15 562	32 000	30 499	2 228	32 024,00	33 753,00	35 576,00
Stores and Materials	16 338	12 534	15 467	47 300	45 082	10 036	31 631,00	33 339,00	35 139,00
Telecommunications	7 100	14 078	4 355	16 854	16 064	-	16 064,00	16 931,00	17 846,00
Uniforms / Protective Clothing	-	5 016	9 169	16 854	16 064	1 988	8 000,00	8 432,00	8 887,00
Skills Development Levy	4 426	2 664	-	3 178	-	-	-	-	-
Sub-Total: General Expenditure	**63 372**	**84 111**	**74 449**	**322 734**	**306 223**	**26 284**	**318 702,00**	**335 912,00**	**354 050,00**
Contracted Services: General	36 187	50 613	31 403	54 645	53 279	18 241	56 450,00	59 498,00	62 711,00
Sub-Total: Contracted Services	**36 187**	**50 613**	**31 403**	**54 645**	**53 279**	**18 241**	**56 450,00**	**59 498,00**	**62 711,00**
R & M: Buildings, Fences and Sites	5 556	57 767	12 518	168 540	148 540	24 620	172 315,00	192 993,00	216 152,00
R & M: Furniture	4 826	1 277	-	33 708	33 708	-	34 463,00	38 599,00	43 230,00
R & M: Fleet Miscellaneous	16 075	11 351	3 703	24 910	24 910	24 600	25 468,00	28 524,00	31 947,00
R & M: Fleet	-	-	-	-	20 000	-	-	-	-
Sub-Total: Repairs and Maintenance	**26 456**	**70 395**	**16 221**	**227 158**	**227 158**	**49 220**	**232 246,00**	**260 116,00**	**291 329,00**
Depreciation Fixed Assets	291 965	139 835	216 087	11 512	11 512	6 715	131 088,00	131 088,00	131 088,00
Sub-Total: Depreciation	**291 965**	**139 835**	**216 087**	**11 512**	**11 512**	**6 715**	**131 088,00**	**131 088,00**	**131 088,00**
TOTAL OPERATING EXPENDITURE	**1 010 186**	**729 155**	**750 251**	**1 018 169**	**989 040**	**359 806**	**1 171 059,00**	**1 246 871,00**	**1 328 893,00**
NET OPERATING EXPENDITURE	**1 010 186**	**729 155**	**750 251**	**1 018 169**	**989 040**	**359 806**	**1 171 059,00**	**1 246 871,00**	**1 328 893,00**

ACCOUNTING SURPLUS / (DEFICIT)	**-134 804**	**-171 233**	**-231 007**	**2 277**	**31 406**	**72 833**	**-84 285,00**	**-101 411,00**	**-121 578,00**
Contribution to Capital Budget (CRR)									
Contribution to Capital Budget (Capital Replacement Reserve)	-	-	-	-	-	-	-	-	-
Contribution to Capital Budget (Grants and Contributions)	-	-	-	-	-	-	-	-	-
Redemption of External Loans	-	-	-	-	-	-	-	-	-
Plus:									
Offset Depreciation	-291 965	-139 835	-216 087	-11 512	-11 512	-	-131 088,00	-131 088,00	-131 088,00
BUDGET SURPLUS/ (DEFICIT)	**157 161**	**-31 398**	**-14 920,19**	**13 789,00**	**42 918,00**	**72 833,31**	**46 803,00**	**29 677,00**	**9 510,00**

MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/14

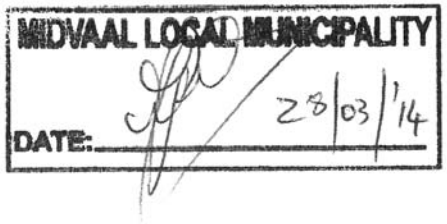
MIDVAAL LOCAL MUNICIPALITY
DATE 28/03/14

CLINIC MEYERTON

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
INCOME									
Other Cash Donations and Contributions	322 298	-	-			-	-	-	-
Sub-Total: Public Donations	**322 298**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Provincial Health Subsidy	3 093 218	2 744 800	2 511 561,56	3 892 687	3 892 687	1 297 188,45	4 145 711,00	4 369 579,00	4 605 537,00
Sub-Total: Provincial Grants (Opex)	**3 093 218**	**2 744 800**	**2 511 562**	**3 892 687**	**3 892 687**	**1 297 188**	**4 145 711,00**	**4 369 579,00**	**4 605 537,00**
Sub-Total: Government Grants and Subsidies	**3 093 218**	**2 744 800**	**2 511 562**	**3 892 687**	**3 892 687**	**1 297 188**	**4 145 711,00**	**4 369 579,00**	**4 605 537,00**
TOTAL OPERATING INCOME	**3 415 515**	**2 744 800**	**2 511 562**	**3 892 687**	**3 892 687**	**1 297 188**	**4 145 711,00**	**4 369 579,00**	**4 605 537,00**
Departmental Charges: Electricity	-	102 426	-	-	-	-	-	-	-
Departmental Charges: Water	-	57 816	-	-	-	-	-	-	-
Sub-Total: Departmental Charges	**-**	**160 243**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
NET OPERATING INCOME	**3 415 515**	**2 905 042**	**2 511 562**	**3 892 687**	**3 892 687**	**1 297 188**	**4 145 711,00**	**4 369 579,00**	**4 605 537,00**

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
EXPENDITURE									
Basic Salaries	1 482 207	1 568 544	1 646 185	1 540 428	1 485 607	1 064 440	1 644 114,00	1 749 337,00	1 861 295,00
Housing Subsidy	10 077	6 263	6 956	6 000	11 795	7 648	12 000,00	12 768,00	13 585,00
Industrial Council Levy	480	443	643	648	664	457	734,00	781,00	831,00
Leave Bonus	117 271	111 012	119 737	128 369	123 801	90 042	137 009,00	145 778,00	155 107,00
Overtime	-	-	4 878	-	-	-	-	-	-
Redemption of Leave	3 901	-	-	-	-	-	-	-	-
Telephone Allowance	4 200	4 200	4 200	4 200	4 057	2 800	4 200,00	4 469,00	4 755,00
Travelling Allowance	59 473	63 335	65 689	65 000	67 783	48 588	68 000,00	72 352,00	76 983,00
UIF	13 017	11 901	13 513	17 440	16 930	9 545	14 859,00	15 810,00	16 822,00
Skills Development Levy	-	-	17 236	-	18 356	12 298	20 134,00	21 423,00	22 794,00
Group Insurance	1 429	1 516	1 619	1 737	1 675	1 156	1 854,00	1 973,00	2 099,00
Medical Aid Fund	138 407	126 312	140 807	162 899	142 535	101 206	148 090,00	157 568,00	167 652,00
Pension Fund	301 308	294 053	315 933	348 952	336 534	225 593	372 440,00	396 276,00	421 638,00
Sub-Total: Remuneration of Employees and Councillors	**2 131 770**	**2 187 579**	**2 337 394**	**2 275 673**	**2 209 737**	**1 563 773**	**2 423 434,00**	**2 578 535,00**	**2 743 561,00**
Computer Requirements / Services	-	1 020	-	10 100	9 626	-	9 626,00	10 146,00	10 694,00
Congresses / Professional Meetings	-	1 567	-	8 586	8 183	450	8 183,00	8 625,00	9 091,00
Fuel Miscellaneous	50 281	30 655	21 411	50 880	29 515	9 773	-	-	-
Fleet - Fuel	-	-	-	-	38 798	38 523	52 377,00	55 205,00	58 186,00
Fleet - Oil	-	-	-	-	381	-	400,00	422,00	444,00
Medical Expenses	-	2 636	17 491	18 656	17 781	15 158	19 775,00	20 843,00	21 968,00
License Fees	533	420	1 356	1 802	1 717	1 200	1 803,00	1 900,00	2 003,00
Nutritional Care	-	-	-	4 346	4 142	-	4 142,00	4 366,00	4 601,00
Occupational Safety	-	3 148	2 539	1 887	6 798	-	7 138,00	7 523,00	7 930,00
Non Capital Assets	5 373	36 868	2 476	43 802	41 748	1 958	41 748,00	44 002,00	46 379,00
Rental	19 163	54 810	20 714	498 042	449 484	23 424	530 414,00	559 056,00	589 245,00
Stationery / Printing / Binding	5 450	10 648	19 516	38 300	36 504	4 670	38 329,00	40 399,00	42 580,00
Stores and Materials	23 458	23 803	28 165	39 300	37 457	12 180	37 457,00	39 480,00	41 612,00
Telecommunications	57 613	92 794	55 999	112 360	107 090	19 801	107 090,00	112 873,00	118 968,00
Tracking	-	-	-	-	9 000	1 674	9 000,00	9 486,00	9 998,00
Uniforms / Protective Clothing	55 906	4 070	33 977	37 100	35 360	6 051	35 360,00	37 269,00	39 282,00
Skills Development Levy	15 381	15 035	-	19 069	-	-	-	-	-
Sub-Total: General Expenditure	**233 157**	**277 473**	**203 643**	**884 230**	**833 584**	**134 862**	**902 842,00**	**951 595,00**	**1 002 981,00**
Contracted Services: General	156 895	214 962	231 917	245 445	239 309	142 819	253 556,00	267 248,00	281 679,00
Sub-Total: Contracted Services	**156 895**	**214 962**	**231 917**	**245 445**	**239 309**	**142 819**	**253 556,00**	**267 248,00**	**281 679,00**
R & M: Buildings, Fences and Sites	10 396	42 452	27 691	61 162	61 162	5 938	62 532,00	70 036,00	78 440,00
R & M: Furniture	6 699	-	-	56 180	56 180	-	57 438,00	64 331,00	72 050,00
R & M: Fleet Miscellaneous	10 616	28 570	25 130	59 572	50 572	7 318	60 906,00	68 215,00	76 400,00
Sub-Total: Repairs and Maintenance	**27 711**	**71 022**	**52 821**	**176 914**	**167 914**	**13 256**	**180 876,00**	**202 582,00**	**226 890,00**
Depreciation Fixed Assets	-	110 648	168 716	16 662	16 662	9 720	244 061,00	244 061,00	244 061,00
Sub-Total: Depreciation	**-**	**110 648**	**168 716**	**16 662**	**16 662**	**9 720**	**244 061,00**	**244 061,00**	**244 061,00**
TOTAL OPERATING EXPENDITURE	**2 549 534**	**2 861 685**	**2 994 491**	**3 598 924**	**3 467 206**	**1 864 429**	**4 004 769,00**	**4 244 021,00**	**4 499 172,00**
Departmental Charges: Electricity	94 434	102 426	101 992	164 736	164 736	64 129	175 443,00	184 917,00	194 902,00
Departmental Charges: Water	37 688	57 816	146 701	118 800	118 800	77 660	126 522,00	133 354,00	140 555,00
Sub-Total: Departmental Charges	**132 122**	**160 243**	**248 693**	**283 536**	**283 536**	**141 789**	**301 965**	**318 271**	**335 457**

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
NET OPERATING EXPENDITURE	**2 681 656**	**3 021 928**	**3 243 183**	**3 882 460**	**3 750 742**	**2 006 218**	**4 306 734,00**	**4 562 292,00**	**4 834 629,00**
ACCOUNTING SURPLUS / (DEFICIT)	**733 859**	**-116 885**	**-731 622**	**10 227**	**141 945**	**-709 029**	**-161 023,00**	**-192 713,00**	**-229 092,00**
Contribution to Capital Budget (CRR)									
Contribution to Capital Budget (Capital Replacement Reserve)	-	-	-	-	-	-	-	-	-
Contribution to Capital Budget (Grants and Contributions)	-	-	-	-	-	-	-	-	-
Redemption of External Loans	-	-	-	-	-	-	-	-	-
Plus:									
Offset Depreciation	-	-110 648	-168 716	-16 662	-16 662	-	-244 061,00	-244 061,00	-244 061,00
BUDGET SURPLUS/ (DEFICIT)	**733 859**	**-6 237**	**-562 906,01**	**26 889,00**	**158 607,00**	**-709 029,26**	**83 038,00**	**51 348,00**	**14 969,00**



MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/14

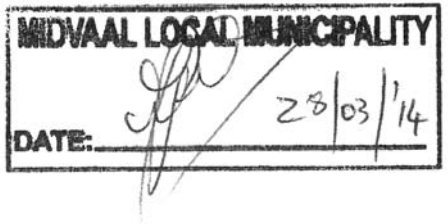
CLINIC KOOKRUS

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
INCOME									
Provincial Health Subsidy	1 252 945	1 097 490	1 643 572,37	1 580 690	1 580 690	687 386,32	1 683 434,00	1 774 339,00	1 870 154,00
Sub-Total: Provincial Grants (Opex)	**1 252 945**	**1 097 490**	**1 643 572**	**1 580 690**	**1 580 690**	**687 386**	**1 683 434,00**	**1 774 339,00**	**1 870 154,00**
Sub-Total: Government Grants and Subsidies	**1 252 945**	**1 097 490**	**1 643 572**	**1 580 690**	**1 580 690**	**687 386**	**1 683 434,00**	**1 774 339,00**	**1 870 154,00**
TOTAL OPERATING INCOME	**1 252 945**	**1 097 490**	**1 643 572**	**1 580 690**	**1 580 690**	**687 386**	**1 683 434,00**	**1 774 339,00**	**1 870 154,00**
Departmental Charges: Electricity	-	27 661	-	-	-	-	-	-	-
Departmental Charges: Water	-	37 049	-	-	-	-	-	-	-
Sub-Total: Departmental Charges	**-**	**64 710**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
NET OPERATING INCOME	**1 252 945**	**1 162 200**	**1 643 572**	**1 580 690**	**1 580 690**	**687 386**	**1 683 434,00**	**1 774 339,00**	**1 870 154,00**

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
EXPENDITURE									
Basic Salaries	641 586	742 409	749 000	692 654	668 624	484 936	739 940,00	787 296,00	837 683,00
Housing Subsidy	11 352	12 526	12 000	12 000	11 591	7 648	12 000,00	12 768,00	13 585,00
Industrial Council Levy	197	197	286	288	295	203	326,00	347,00	369,00
Leave Bonus	48 030	50 950	47 533	57 721	57 721	57 635	61 662,00	65 608,00	69 807,00
Overtime	-	-	2 279	46 000	44 431	-	47 541,00	50 584,00	53 821,00
Redemption of Leave	27 462	4 549	10 993	11 415	11 099	17 178	12 279,00	13 065,00	13 901,00
Travelling Allowance	37 963	41 533	42 055	45 000	43 465	29 736	45 000,00	47 880,00	50 944,00
UIF	5 566	5 343	5 849	8 648	8 349	4 160	6 697,00	7 126,00	7 582,00
Skills Development Levy	-	-	7 748	-	8 665	5 851	9 036,00	9 614,00	10 230,00
Group Insurance	8 952	9 496	8 646	9 139	8 814	6 084	9 754,00	10 378,00	11 042,00
Medical Aid Fund	33 203	27 623	31 630	36 044	31 538	22 379	32 767,00	34 864,00	37 095,00
Pension Fund	126 799	134 508	139 388	152 384	147 098	99 392	162 787,00	173 205,00	184 291,00
Sub-Total: Remuneration of Employees and Councillors	**941 108**	**1 029 134**	**1 057 406**	**1 071 293**	**1 041 690**	**735 202**	**1 139 789,00**	**1 212 735,00**	**1 290 350,00**
Computer Requirements / Services	-	-	-	21 200	20 206	-	20 206,00	21 297,00	22 447,00
Congresses / Professional Meetings	-	-	-	2 650	2 526	150	2 526,00	2 662,00	2 806,00
Medical Expenses	-	285	2 195	6 254	5 961	-	19 775,00	20 843,00	21 968,00
License Fees	-	-	-	636	606	-	636,00	670,00	707,00
Nutritional Care	-	-	-	6 360	6 062	-	6 062,00	6 389,00	6 734,00
Occupational Safety	-	623	2 539	1 776	1 693	-	1 778,00	1 874,00	1 975,00
Non Capital Assets	5 508	-	22 192	35 908	34 224	-	34 224,00	36 072,00	38 020,00
Rental	11 849	17 623	10 647	56 710	54 050	15 003	60 396,00	63 657,00	67 095,00
Stationery / Printing / Binding	5 536	3 017	16 270	22 700	21 635	2 052	22 717,00	23 944,00	25 237,00
Stores and Materials	17 330	7 673	18 252	29 700	28 307	7 872	28 307,00	29 836,00	31 447,00
Uniforms / Protective Clothing	-	-	6 616	21 200	20 206	1 709	20 206,00	21 297,00	22 447,00
Skills Development Levy	7 260	7 411	-	9 008	-	-	-	-	-
Sub-Total: General Expenditure	**47 484**	**36 632**	**78 709**	**214 102**	**195 476**	**26 786**	**216 833,00**	**228 541,00**	**240 883,00**
Contracted Services: General	18 672	24 671	29 621	30 833	30 062	16 024	31 852,00	33 572,00	35 385,00
Sub-Total: Contracted Services	**18 672**	**24 671**	**29 621**	**30 833**	**30 062**	**16 024**	**31 852,00**	**33 572,00**	**35 385,00**
R & M: Buildings, Fences and Sites	21 548	16 575	38 701	168 540	168 540	11 310	172 315,00	192 993,00	216 152,00
R & M: Furniture	657	1 220	-	12 508	12 508	-	12 788,00	14 323,00	16 041,00
R & M: Fleet Miscellaneous	-	-	-	14 840	14 840	-	15 172,00	16 993,00	19 032,00
Sub-Total: Repairs and Maintenance	**22 205**	**17 795**	**38 701**	**195 888**	**195 888**	**11 310**	**200 275,00**	**224 309,00**	**251 225,00**
Depreciation Fixed Assets	-	36 560	45 828	14 295	14 295	8 339	45 267,00	45 267,00	45 267,00
Sub-Total: Depreciation	**-**	**36 560**	**45 828**	**14 295**	**14 295**	**8 339**	**45 267,00**	**45 267,00**	**45 267,00**
TOTAL OPERATING EXPENDITURE	**1 029 469**	**1 144 792**	**1 250 265**	**1 526 411**	**1 477 411**	**797 661**	**1 634 016,00**	**1 744 424,00**	**1 863 110,00**
Departmental Charges: Electricity	23 797	27 661	31 313	36 494	36 494	24 478	38 866,00	40 965,00	43 177,00
Departmental Charges: Water	65 338	37 049	34 194	16 500	16 500	8 460	17 572,00	18 521,00	19 521,00
Sub-Total: Departmental Charges	**89 135**	**64 710**	**65 507**	**52 994**	**52 994**	**32 938**	**56 438**	**59 486**	**62 698**
NET OPERATING EXPENDITURE	**1 118 603**	**1 209 502**	**1 315 772**	**1 579 405**	**1 530 405**	**830 599**	**1 690 454,00**	**1 803 910,00**	**1 925 808,00**

ACCOUNTING SURPLUS / (DEFICIT)	**134 342**	**-47 302**	**327 800**	**1 285**	**50 285**	**-143 213**	**-7 020,00**	**-29 571,00**	**-55 654,00**
Contribution to Capital Budget (CRR)									
Contribution to Capital Budget (Capital Replacement Reserve)	-	-	-	-	-	-	-	-	-
Contribution to Capital Budget (Grants and Contributions)	-	-	-	-	-	-	-	-	-
Redemption of External Loans	-	-	-	-	-	-	-	-	-
Plus:									

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
Offset Depreciation	-	-36 560	-45 828	-14 295	-14 295	-	-45 267,00	-45 267,00	-45 267,00
BUDGET SURPLUS/ (DEFICIT)	**134 342**	**-10 742**	**373 628,16**	**15 580,00**	**64 580,00**	**-143 213,08**	**38 247,00**	**15 696,00**	**-10 387,00**



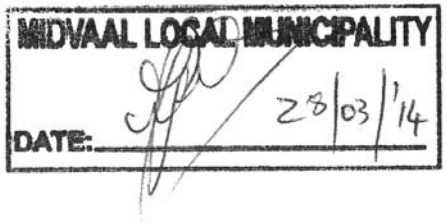
LIBRARY MEYERTON

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
INCOME									
Municipal Infrastructure Grant	-	-	750 000,00	5 050 000	5 050 000	3 243 480,00	-	-	-
Sub-Total: National Grants (Capex)	**-**	**-**	**750 000**	**5 050 000**	**5 050 000**	**3 243 480**	**-**	**-**	**-**
DSRAC Grant	1 239 219	1 692 689	1 000 000,00	100 000	100 000	100 000,00	400 000,00	-	-
Sub-Total: Provincial Grants (Capex)	**1 239 219**	**1 692 689**	**1 000 000**	**100 000**	**100 000**	**100 000**	**400 000,00**	**-**	**-**
DSRAC Grant	2 474 793	1 883 333	2 440 000,00	2 500 000	2 500 000	2 500 000,00	1 630 000,00	300 000,00	5 600 000,00
Sub-Total: Provincial Grants (Opex)	**2 474 793**	**1 883 333**	**2 440 000**	**2 500 000**	**2 500 000**	**2 500 000**	**1 630 000,00**	**300 000,00**	**5 600 000,00**
Sub-Total: Government Grants and Subsidies	**3 714 011**	**3 576 021**	**4 190 000**	**7 650 000**	**7 650 000**	**5 843 480**	**2 030 000,00**	**300 000,00**	**5 600 000,00**
Fines	20 052	23 687	25 429,50	21 000	21 000	15 321,50	23 000,00	24 242,00	25 551,00
Sub-Total: Fines	**20 052**	**23 687**	**25 430**	**21 000**	**21 000**	**15 322**	**23 000,00**	**24 242,00**	**25 551,00**
Lost and Damaged Library Material	5 930	4 476	5 891,75	5 300	5 300	2 226,70	5 618,00	5 921,00	6 241,00
Sundry Income	87 023	91 112	103 771,74	63 600	63 600	68 879,03	67 416,00	71 056,00	74 894,00
Membership Fees	1 655	912	1 004,39	950	1 304	1 496,31	1 400,00	1 476,00	1 555,00
Sub-Total: Other Income	**94 609**	**96 501**	**110 668**	**69 850**	**70 204**	**72 602**	**74 434,00**	**78 453,00**	**82 690,00**
TOTAL OPERATING INCOME	**3 828 672**	**3 696 209**	**4 326 097**	**7 740 850**	**7 741 204**	**5 931 404**	**2 127 434,00**	**402 695,00**	**5 708 241,00**
NET OPERATING INCOME	**3 828 672**	**3 696 209**	**4 326 097**	**7 740 850**	**7 741 204**	**5 931 404**	**2 127 434,00**	**402 695,00**	**5 708 241,00**

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
EXPENDITURE									
Basic Salaries	2 124 609	2 462 148	2 410 581	2 389 841	2 287 942	1 388 301	2 488 954,00	2 648 247,00	2 817 735,00
Housing Subsidy	34 008	39 416	34 953	30 000	28 977	14 560	30 000,00	31 920,00	33 963,00
Industrial Council Levy	779	759	1 000	1 080	1 106	635	1 224,00	1 302,00	1 386,00
Leave Bonus	167 362	188 870	167 580	199 153	170 427	139 476	196 479,00	209 054,00	222 433,00
Overtime	2 029	12 658	1 800	-	-	-	-	-	-
Redemption of Leave	8 826	34 384	58 569	22 325	20 964	7 588	23 222,00	24 708,00	26 290,00
Telephone Allowance	4 200	4 200	4 387	4 200	4 057	1 750	4 200,00	4 469,00	4 755,00
Travelling Allowance	57 161	60 724	46 045	70 000	67 613	25 574	62 000,00	65 968,00	70 190,00
UIF	20 242	20 814	21 430	27 157	25 800	13 698	24 278,00	25 832,00	27 485,00
Skills Development Levy	-	-	24 907	-	27 860	15 904	30 181,00	32 113,00	34 168,00
Group Insurance	2 207	2 341	2 499	2 681	2 586	1 784	2 861,00	3 044,00	3 239,00
Medical Aid Fund	182 459	184 255	167 658	209 967	206 039	118 062	213 199,00	226 844,00	241 362,00
Pension Fund	471 983	492 469	471 108	548 129	525 225	289 766	552 316,00	587 664,00	625 275,00
Sub-Total: Remuneration of Employees and Councillors	**3 075 865**	**3 503 038**	**3 412 517**	**3 504 533**	**3 368 596**	**2 017 098**	**3 628 914,00**	**3 861 165,00**	**4 108 281,00**
Computer Requirements / Services	4 815	4 401	9 878	9 650	9 197	6 592	9 197,00	9 694,00	10 217,00
Congresses / Professional Meetings	906	948	16 296	25 573	24 374	4 360	24 374,00	25 690,00	27 077,00
Fuel Miscellaneous	11 037	13 146	13 606	14 475	8 317	8 317	-	-	-
Fleet - Fuel	-	-	-	-	5 774	3 479	7 795,00	8 216,00	8 660,00
Fleet - Oil	-	-	-	-	95	-	100,00	105,00	111,00
License Fees	276	324	624	2 455	2 340	648	2 457,00	2 590,00	2 730,00
Marketing / Promotions / Advertisements	5 473	4 948	5 204	5 524	5 265	1 632	4 000,00	-	-
Membership Fees	1 300	1 300	-	3 069	2 925	-	3 071,00	3 237,00	3 412,00
Occupational Safety	1 311	522	561	348	332	-	349,00	368,00	388,00
Periodicals / Reference Books / Magazines	64 030	38 575	946	77 200	73 579	22 842	73 579,00	77 552,00	81 740,00
Non Capital Assets	10 279	5 072	18 994	16 384	15 616	-	15 616,00	16 459,00	17 348,00
Rental	32 696	40 559	25 184	44 496	42 409	38 898	70 000,00	73 780,00	77 764,00
Stationery / Printing / Binding	20 128	19 504	23 909	19 300	18 395	17 157	19 315,00	20 358,00	21 457,00
Stores and Materials	10 073	8 740	9 704	9 650	9 197	8 935	9 197,00	9 694,00	10 217,00
Telecommunications	-	-	-	38 600	36 790	5 313	36 790,00	38 777,00	40 871,00
Uniforms / Protective Clothing	745	923	939	1 330	1 268	817	1 268,00	1 336,00	1 409,00
Skills Development Levy	22 477	24 632	-	29 257	-	-	-	-	-
Sub-Total: General Expenditure	**185 547**	**163 593**	**125 845**	**297 311**	**255 873**	**118 989**	**277 108,00**	**287 856,00**	**303 401,00**
Contracted Services: General	8 024	31 413	8 659	9 667	9 425	4 922	10 185,00	10 735,00	11 315,00
Contracted Services: DAC Funding	633 768	349 005	733 351	500 000	487 500	190 150	-	-	-
Sub-Total: Contracted Services	**641 792**	**380 418**	**742 010**	**509 667**	**496 925**	**195 072**	**10 185,00**	**10 735,00**	**11 315,00**
R & M: Buildings, Fences and Sites	11 625	9 392	4 900	25 000	25 000	23 912	24 000,00	26 880,00	30 106,00
R & M: Furniture	1 934	1 618	2 110	2 332	2 332	350	2 880,00	3 226,00	3 613,00
R & M: Fleet Miscellaneous	-	851	4 917	5 300	4 300	849	5 184,00	5 806,00	6 503,00
R & M: Fleet	-	-	-	-	1 000	212	-	-	-

MIDVAAL LOCAL MUNICIPALITY
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FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
Sub-Total: Repairs and Maintenance	**13 559**	**11 861**	**11 926**	**32 632**	**32 632**	**25 334**	**32 064,00**	**35 912,00**	**40 222,00**
Depreciation Fixed Assets	-	308 601	655 294	678 591	678 591	395 845	783 161,00	808 161,00	808 161,00
Sub-Total: Depreciation	**-**	**308 601**	**655 294**	**678 591**	**678 591**	**395 845**	**783 161,00**	**808 161,00**	**808 161,00**
TOTAL OPERATING EXPENDITURE	**3 916 763**	**4 367 512**	**4 947 593**	**5 022 734**	**4 832 617**	**2 752 338**	**4 731 432,00**	**5 003 829,00**	**5 271 380,00**
NET OPERATING EXPENDITURE	**3 916 763**	**4 367 512**	**4 947 593**	**5 022 734**	**4 832 617**	**2 752 338**	**4 731 432,00**	**5 003 829,00**	**5 271 380,00**
ACCOUNTING SURPLUS / (DEFICIT)	**-88 091**	**-671 303**	**-621 496**	**2 718 116**	**2 908 587**	**3 179 065**	**-2 603 998,00**	**-4 601 134,00**	**436 861,00**
Contribution to Capital Budget (CRR)									
Contribution to Capital Budget (Capital Replacement Reserve)	-	-	-	-	-	-	-	-	-
Contribution to Capital Budget (Grants and Contributions)	1 239 219	1 692 689	1 750 000	5 150 000	5 150 000	-	400 000,00	-	-
Redemption of External Loans	-	-	-	-	-	-	-	-	-
Plus:									
Offset Depreciation	-	-308 601	-655 294	-678 591	-678 591	-	-783 161,00	-808 161,00	-808 161,00
BUDGET SURPLUS/ (DEFICIT)	**-1 327 309**	**-2 055 390**	**-1 716 201,57**	**-1 753 293,00**	**-1 562 822,00**	**3 179 065,21**	**-2 220 837,00**	**-3 792 973,00**	**1 245 022,00**



LIBRARY HENLEY ON KLIP

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
INCOME									
Other Cash Donations and Contributions	33 350	-	-			-	-	-	-
Sub-Total: Public Donations	**33 350**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
DSRAC Grant	-	-	-	-	-	-	150 000,00	-	-
Sub-Total: Provincial Grants (Capex)	**-**	**-**	**-**	**-**	**-**	**-**	**150 000,00**	**-**	**-**
Sub-Total: Government Grants and Subsidies	**-**	**-**	**-**	**-**	**-**	**-**	**150 000,00**	**-**	**-**
TOTAL OPERATING INCOME	**33 350**	**-**	**-**	**-**	**-**	**-**	**150 000,00**	**-**	**-**
NET OPERATING INCOME	**33 350**	**-**	**-**	**-**	**-**	**-**	**150 000,00**	**-**	**-**

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
EXPENDITURE									
Basic Salaries	197 572	244 964	332 770	366 942	353 883	245 070	391 641,00	416 706,00	443 375,00
Housing Subsidy	3 000	3 000	3 000	3 000	2 898	2 000	3 000,00	3 192,00	3 396,00
Industrial Council Levy	98	98	190	216	222	152	245,00	261,00	277,00
Leave Bonus	16 516	17 700	28 144	30 578	30 578	30 533	32 637,00	34 726,00	36 948,00
Redemption of Leave	-	-	-	7 228	6 971	-	7 714,00	8 208,00	8 733,00
Telephone Allowance	-	-	2 000	-	3 000	2 000	3 000,00	3 192,00	3 396,00
UIF	2 110	2 309	3 475	4 107	3 961	2 824	4 380,00	4 660,00	4 959,00
Skills Development Levy	-	-	3 520	-	4 295	2 886	4 726,00	5 028,00	5 350,00
Group Insurance	4 713	4 999	5 337	3 129	3 017	3 811	3 339,00	3 553,00	3 780,00
Medical Aid Fund	26 939	30 031	33 055	34 682	33 399	23 599	34 582,00	36 795,00	39 150,00
Pension Fund	43 466	46 578	66 695	88 043	84 910	53 915	93 969,00	99 983,00	106 382,00
Sub-Total: Remuneration of Employees and Councillors	**294 414**	**349 680**	**478 187**	**537 925**	**527 134**	**366 792**	**579 233,00**	**616 304,00**	**655 746,00**
Computer Requirements / Services	1 616	964	1 455	1 930	1 839	475	1 839,00	1 938,00	2 043,00
Congresses / Professional Meetings	958	857	-	1 227	1 169	-	1 169,00	1 232,00	1 299,00
Marketing / Promotions / Advertisements	723	396	985	3 069	2 925	885	2 500,00	-	-
Periodicals / Reference Books / Magazines	16 779	17 671	2 782	63 401	60 427	11 416	60 427,00	63 690,00	67 129,00
Non Capital Assets	641	411	5 149	4 588	4 373	-	4 373,00	4 609,00	4 858,00
Rental	12 603	15 618	3 533	23 015	21 936	15 218	35 000,00	36 890,00	38 882,00
Stationery / Printing / Binding	8 745	9 054	10 436	10 808	10 301	3 010	10 816,00	11 400,00	12 016,00
Stores and Materials	2 143	2 286	310	965	920	653	920,00	970,00	1 022,00
Telecommunications	10 717	11 423	16 871	17 287	16 476	12 913	16 476,00	17 366,00	18 303,00
Skills Development Levy	2 045	2 304	-	4 454	-	-	-	-	-
Sub-Total: General Expenditure	**56 970**	**60 984**	**41 522**	**130 744**	**120 366**	**44 569**	**133 520,00**	**138 095,00**	**145 552,00**
Contracted Services: General	1 771	2 161	1 988	5 088	4 961	1 248	5 820,00	6 134,00	6 466,00
Sub-Total: Contracted Services	**1 771**	**2 161**	**1 988**	**5 088**	**4 961**	**1 248**	**5 820,00**	**6 134,00**	**6 466,00**
R & M: Buildings, Fences and Sites	7 673	9 531	41 817	63 600	63 600	47 081	96 000,00	107 520,00	120 422,00
R & M: Furniture	3 795	2 625	4 157	4 770	4 770	200	7 680,00	8 602,00	9 634,00
Sub-Total: Repairs and Maintenance	**11 468**	**12 156**	**45 974**	**68 370**	**68 370**	**47 281**	**103 680,00**	**116 122,00**	**130 056,00**
Depreciation Fixed Assets	-	70 600	41 081	25 238	25 238	14 722	43 008,00	48 008,00	48 008,00
Sub-Total: Depreciation	**-**	**70 600**	**41 081**	**25 238**	**25 238**	**14 722**	**43 008,00**	**48 008,00**	**48 008,00**
TOTAL OPERATING EXPENDITURE	**364 622**	**495 580**	**608 752**	**767 365**	**746 069**	**474 612**	**865 261,00**	**924 663,00**	**985 828,00**
NET OPERATING EXPENDITURE	**364 622**	**495 580**	**608 752**	**767 365**	**746 069**	**474 612**	**865 261,00**	**924 663,00**	**985 828,00**

ACCOUNTING SURPLUS / (DEFICIT)	**-331 272**	**-495 580**	**-608 752**	**-767 365**	**-746 069**	**-474 612**	**-715 261,00**	**-924 663,00**	**-985 828,00**
Contribution to Capital Budget (CRR)									
Contribution to Capital Budget (Capital Replacement Reserve)	-	-	-	-	-	-	-	-	-
Contribution to Capital Budget (Grants and Contributions)	-	-	-	-	-	-	150 000,00	-	-
Redemption of External Loans	-	-	-	-	-	-	-	-	-
Plus:									
Offset Depreciation	-	-70 600	-41 081	-25 238	-25 238	-	-43 008,00	-48 008,00	-48 008,00
BUDGET SURPLUS/ (DEFICIT)	**-331 272**	**-424 980**	**-567 671,25**	**-742 127,00**	**-720 831,00**	**-474 611,67**	**-822 253,00**	**-876 655,00**	**-937 820,00**

MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/'14

LIBRARY WALKERVILLE

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
INCOME									
NET OPERATING INCOME	-	-	-	-	-	-	-	-	-

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
EXPENDITURE									
Basic Salaries	233 463	344 916	383 629	453 560	437 414	302 865	484 083,00	515 064,00	548 028,00
Industrial Council Levy	107	98	143	216	222	152	245,00	261,00	277,00
Leave Bonus	10 730	17 150	28 924	37 797	36 451	37 740	40 340,00	42 922,00	45 669,00
Redemption of Leave	8 354	-	3 244	6 257	6 035	-	6 678,00	7 105,00	7 560,00
UIF	2 501	3 252	3 877	4 976	4 799	3 004	4 716,00	5 018,00	5 339,00
Skills Development Levy	-	-	3 937	-	5 169	3 413	5 682,00	6 046,00	6 433,00
Group Insurance	1 073	-	-	-	-	-	-	-	-
Medical Aid Fund	26 010	36 292	41 429	37 554	32 861	23 246	34 142,00	36 327,00	38 652,00
Pension Fund	50 895	67 536	73 480	99 783	96 231	62 465	106 498,00	113 314,00	120 566,00
Sub-Total: Remuneration of Employees and Councillors	**333 133**	**469 244**	**538 663**	**640 143**	**619 182**	**432 886**	**682 384,00**	**726 057,00**	**772 524,00**
Computer Requirements / Services	1 253	500	1 870	2 799	2 668	712	2 668,00	2 812,00	2 964,00
Congresses / Professional Meetings	533	579	199	1 227	1 169	150	1 169,00	1 232,00	1 299,00
Marketing / Promotions / Advertisements	3 799	1 750	4 936	5 115	4 875	1 236	2 500,00	-	-
Periodicals / Reference Books / Magazines	20 507	13 587	538	63 401	60 427	16 754	60 427,00	63 690,00	67 129,00
Non Capital Assets	-	5 032	5 577	5 489	5 232	-	5 232,00	5 515,00	5 812,00
Rental	4 016	11 987	9 908	23 015	21 936	20 877	27 375,00	28 853,00	30 411,00
Stationery / Printing / Binding	5 171	8 438	7 695	10 808	10 301	6 511	10 816,00	11 400,00	12 016,00
Stores and Materials	1 603	2 105	2 448	2 413	2 300	965	2 300,00	2 424,00	2 555,00
Telecommunications	-	-	1 159	1 227	1 169	-	1 169,00	1 232,00	1 299,00
Skills Development Levy	2 449	3 210	-	5 352	-	-	-	-	-
Sub-Total: General Expenditure	**39 331**	**47 189**	**34 330**	**120 846**	**110 077**	**47 204**	**113 656,00**	**117 158,00**	**123 485,00**
Contracted Services: General	4 488	4 493	5 594	5 699	5 557	3 105	5 820,00	6 134,00	6 466,00
Sub-Total: Contracted Services	**4 488**	**4 493**	**5 594**	**5 699**	**5 557**	**3 105**	**5 820,00**	**6 134,00**	**6 466,00**
R & M: Buildings, Fences and Sites	4 238	9 772	33 209	53 000	53 000	7 015	57 600,00	64 512,00	72 253,00
R & M: Furniture	940	1 820	2 630	3 074	3 074	450	3 360,00	3 763,00	4 215,00
Sub-Total: Repairs and Maintenance	**5 178**	**11 591**	**35 839**	**56 074**	**56 074**	**7 465**	**60 960,00**	**68 275,00**	**76 468,00**
Depreciation Fixed Assets	-	34 746	33 099	17 076	17 076	9 961	37 837,00	47 837,00	47 837,00
Sub-Total: Depreciation	**-**	**34 746**	**33 099**	**17 076**	**17 076**	**9 961**	**37 837,00**	**47 837,00**	**47 837,00**
TOTAL OPERATING EXPENDITURE	**382 130**	**567 263**	**647 526**	**839 838**	**807 966**	**500 621**	**900 657,00**	**965 461,00**	**1 026 780,00**
NET OPERATING EXPENDITURE	**382 130**	**567 263**	**647 526**	**839 838**	**807 966**	**500 621**	**900 657,00**	**965 461,00**	**1 026 780,00**

ACCOUNTING SURPLUS / (DEFICIT)	**-382 130**	**-567 263**	**-647 526**	**-839 838**	**-807 966**	**-500 621**	**-900 657,00**	**-965 461,00**	**-1 026 780,00**
Contribution to Capital Budget (CRR)									
Contribution to Capital Budget (Capital Replacement Reserve)	-	-	-	-	-	-	-	-	-
Contribution to Capital Budget (Grants and Contributions)	-	-	-	-	-	-	-	-	-
Redemption of External Loans	-	-	-	-	-	-	-	-	-
Plus:									
Offset Depreciation	-	-34 746	-33 099	-17 076	-17 076	-	-37 837,00	-47 837,00	-47 837,00
BUDGET SURPLUS/ (DEFICIT)	**-382 130**	**-532 517**	**-614 426,83**	**-822 762,00**	**-790 890,00**	**-500 620,73**	**-862 820,00**	**-917 624,00**	**-978 943,00**

MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/14

LIBRARY RANDVAAL

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
INCOME									
DSRAC Grant	260 305	-	-	-	-	-	-	-	-
Sub-Total: Provincial Grants (Capex)	**260 305**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Sub-Total: Government Grants and Subsidies	**260 305**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL OPERATING INCOME	**260 305**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Departmental Charges: Water	-	12 179	-	-	-	-	-	-	-
Sub-Total: Departmental Charges	**-**	**12 179**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
NET OPERATING INCOME	**260 305**	**12 179**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
EXPENDITURE									
Basic Salaries	208 320	246 432	258 976	468 121	451 461	311 616	499 630,00	531 606,00	565 629,00
Housing Subsidy	-	-	-	9 000	8 693	3 824	9 000,00	9 576,00	10 189,00
Industrial Council Levy	98	98	143	216	222	152	245,00	261,00	277,00
Leave Bonus	17 360	18 415	19 612	39 010	39 010	38 952	41 636,00	44 301,00	47 136,00
Redemption of Leave	-	3 376	5 215	10 123	9 763	-	10 804,00	11 495,00	12 231,00
UIF	2 159	2 260	2 457	5 263	5 076	2 961	4 955,00	5 272,00	5 610,00
Skills Development Levy	-	-	2 379	-	5 205	3 401	5 745,00	6 113,00	6 504,00
Group Insurance	-	-	-	3 129	3 017	-	3 339,00	3 553,00	3 780,00
Medical Aid Fund	-	-	-	-	13 414	9 131	13 414,00	14 272,00	15 186,00
Pension Fund	45 830	48 616	51 905	102 987	99 321	68 556	109 918,00	116 953,00	124 438,00
Sub-Total: Remuneration of Employees and Councillors	**273 768**	**319 197**	**340 686**	**637 849**	**635 182**	**438 593**	**698 686,00**	**743 402,00**	**790 980,00**
Computer Requirements / Services	2 210	1 944	1 015	2 702	2 575	-	2 575,00	2 714,00	2 861,00
Congresses / Professional Meetings	977	-	200	1 227	1 169	890	1 169,00	1 232,00	1 299,00
Marketing / Promotions / Advertisements	2 728	1 493	4 728	5 115	4 875	1 663	2 500,00	-	-
Periodicals / Reference Books / Magazines	28 337	18 853	561	63 401	60 427	15 528	60 427,00	63 690,00	67 129,00
Non Capital Assets	5 559	5 935	-	1 884	1 796	-	1 796,00	1 893,00	1 995,00
Rental	11 633	15 322	7 929	23 015	21 936	17 176	26 467,00	27 896,00	29 403,00
Stationery / Printing / Binding	9 864	9 190	12 290	10 808	10 301	4 298	10 816,00	11 400,00	12 016,00
Stores and Materials	2 982	2 774	3 991	4 825	4 599	2 426	4 599,00	4 847,00	5 109,00
Telecommunications	11 622	11 517	17 571	18 208	17 354	6 830	17 354,00	18 291,00	19 279,00
Skills Development Levy	2 101	2 257	-	5 410	-	-	-	-	-
Sub-Total: General Expenditure	**78 014**	**69 285**	**48 286**	**136 595**	**125 032**	**48 810**	**127 703,00**	**131 963,00**	**139 091,00**
Contracted Services: General	824	4 521	477	5 699	5 557	329	5 820,00	6 134,00	6 466,00
Sub-Total: Contracted Services	**824**	**4 521**	**477**	**5 699**	**5 557**	**329**	**5 820,00**	**6 134,00**	**6 466,00**
R & M: Buildings, Fences and Sites	4 541	4 586	12 092	19 080	19 080	7 944	20 160,00	22 579,00	25 289,00
R & M: Furniture	-	4 880	3 472	5 936	5 936	-	5 856,00	6 559,00	7 346,00
Sub-Total: Repairs and Maintenance	**4 541**	**9 466**	**15 564**	**25 016**	**25 016**	**7 944**	**26 016,00**	**29 138,00**	**32 635,00**
Depreciation Fixed Assets	-	158 817	180 779	69 552	69 552	40 572	239 586,00	609 586,00	359 586,00
Sub-Total: Depreciation	**-**	**158 817**	**180 779**	**69 552**	**69 552**	**40 572**	**239 586,00**	**609 586,00**	**359 586,00**
TOTAL OPERATING EXPENDITURE	**357 147**	**561 286**	**585 794**	**874 711**	**860 339**	**536 248**	**1 097 811,00**	**1 520 223,00**	**1 328 758,00**
Departmental Charges: Water	8 269	12 179	18 294	22 000	22 000	29 084	23 320,00	24 579,00	25 907,00
Sub-Total: Departmental Charges	**8 269**	**12 179**	**18 294**	**22 000**	**22 000**	**29 084**	**23 320**	**24 579**	**25 907**
NET OPERATING EXPENDITURE	**365 416**	**573 465**	**604 087**	**896 711**	**882 339**	**565 332**	**1 121 131,00**	**1 544 802,00**	**1 354 665,00**

ACCOUNTING SURPLUS / (DEFICIT)	**-105 111**	**-561 286**	**-604 087**	**-896 711**	**-882 339**	**-565 332**	**-1 121 131,00**	**-1 544 802,00**	**-1 354 665,00**
Contribution to Capital Budget (CRR)									
Contribution to Capital Budget (Capital Replacement Reserve)	-	-	-	-	-	-	300 000,00	-	-
Contribution to Capital Budget (Grants and Contributions)	260 305	-	-	-	-	-	-	-	-
Redemption of External Loans	-	-	-	-	-	-	-	-	-
Plus:									
Offset Depreciation	-	-158 817	-180 779	-69 552	-69 552	-	-239 586,00	-609 586,00	-359 586,00
BUDGET SURPLUS/ (DEFICIT)	**-365 416**	**-402 470**	**-423 308,24**	**-827 159,00**	**-812 787,00**	**-565 331,70**	**-1 181 545,00**	**-935 216,00**	**-995 079,00**

MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/14

LIBRARY LAKESIDE

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
INCOME									
DSRAC Grant	-	-	-	-	-	-	1 200 000,00	-	-
Sub-Total: Provincial Grants (Capex)	**-**	**-**	**-**	**-**	**-**	**-**	**1 200 000,00**	**-**	**-**
Sub-Total: Government Grants and Subsidies	**-**	**-**	**-**	**-**	**-**	**-**	**1 200 000,00**	**-**	**-**
TOTAL OPERATING INCOME	**-**	**-**	**-**	**-**	**-**	**-**	**1 200 000,00**	**-**	**-**
NET OPERATING INCOME	**-**	**-**	**-**	**-**	**-**	**-**	**1 200 000,00**	**-**	**-**

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
EXPENDITURE									
Computer Requirements / Services	-	-	-	-	-	-	6 000,00	6 324,00	6 665,00
Congresses / Professional Meetings	-	-	-	-	-	-	2 000,00	2 108,00	2 222,00
Marketing / Promotions / Advertisements	-	-	-	-	-	-	7 000,00	7 378,00	7 776,00
Periodicals / Reference Books / Magazines	-	-	-	-	-	-	60 000,00	63 240,00	66 655,00
Non Capital Assets	-	-	-	-	-	-	5 000,00	5 270,00	5 555,00
Rental	-	-	-	-	-	-	30 000,00	31 620,00	33 327,00
Stationery / Printing / Binding	-	-	-	-	-	-	8 000,00	8 432,00	8 887,00
Stores and Materials	-	-	-	-	-	-	2 000,00	2 108,00	2 222,00
Telecommunications	-	-	-	-	-	-	15 000,00	15 810,00	16 664,00
Sub-Total: General Expenditure	**-**	**-**	**-**	**-**	**-**	**-**	**135 000,00**	**142 290,00**	**149 973,00**
TOTAL OPERATING EXPENDITURE	**-**	**-**	**-**	**-**	**-**	**-**	**135 000,00**	**142 290,00**	**149 973,00**
NET OPERATING EXPENDITURE	**-**	**-**	**-**	**-**	**-**	**-**	**135 000,00**	**142 290,00**	**149 973,00**

ACCOUNTING SURPLUS / (DEFICIT)	**-**	**-**	**-**	**-**	**-**	**-**	**1 065 000,00**	**-142 290,00**	**-149 973,00**
Contribution to Capital Budget (CRR)									
Contribution to Capital Budget (Capital Replacement Reserve)	-	-	-	-	-	-	-	-	-
Contribution to Capital Budget (Grants and Contributions)	-	-	-	-	-	-	1 200 000,00	-	-
Redemption of External Loans	-	-	-	-	-	-	-	-	-
Plus:									
Offset Depreciation	-	-	-	-	-	-	-	-	-
BUDGET SURPLUS/ (DEFICIT)	**-**	**-**	**-**	**-**	**-**	**-**	**-135 000,00**	**-142 290,00**	**-149 973,00**

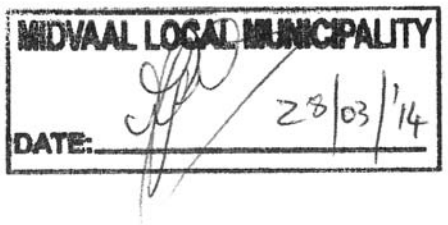
MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/'14

LIBRARY SICELO

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
INCOME									
DSRAC Grant	76 827	-	-	-	-	-	700 000,00	5 000 000,00	-
Sub-Total: Provincial Grants (Capex)	**76 827**	**-**	**-**	**-**	**-**	**-**	**700 000,00**	**5 000 000,00**	**-**
Sub-Total: Government Grants and Subsidies	**76 827**	**-**	**-**	**-**	**-**	**-**	**700 000,00**	**5 000 000,00**	**-**
TOTAL OPERATING INCOME	**76 827**	**-**	**-**	**-**	**-**	**-**	**700 000,00**	**5 000 000,00**	**-**
NET OPERATING INCOME	**76 827**	**-**	**-**	**-**	**-**	**-**	**700 000,00**	**5 000 000,00**	**-**

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
EXPENDITURE									
Computer Requirements / Services	1 128	5 040	520	6 466	6 163	-	6 163,00	6 496,00	6 847,00
Congresses / Professional Meetings	220	631	130	1 227	1 169	-	1 169,00	1 232,00	1 299,00
Marketing / Promotions / Advertisements	2 051	2 407	-	10 229	9 749	-	3 500,00	-	-
Periodicals / Reference Books / Magazines	32 686	19 330	-	85 113	81 121	27 345	81 121,00	85 502,00	90 119,00
Non Capital Assets	7 320	12 177	12 366	12 287	11 711	-	11 711,00	12 343,00	13 010,00
Rental	498	1 253	3 966	15 440	14 716	14 004	17 756,00	18 715,00	19 725,00
Stationery / Printing / Binding	6 753	7 256	3 494	11 580	11 037	2 703	11 589,00	12 215,00	12 874,00
Stores and Materials	1 631	2 445	2 520	2 895	2 759	2 405	2 759,00	2 908,00	3 065,00
Telecommunications	-	11 763	24 121	25 573	24 374	-	24 374,00	25 690,00	27 077,00
Sub-Total: General Expenditure	**52 288**	**62 301**	**47 116**	**170 810**	**162 799**	**46 457**	**160 142,00**	**165 101,00**	**174 016,00**
Contracted Services: General	1 309	3 759	1 845	5 699	5 557	-	5 820,00	6 134,00	6 466,00
Sub-Total: Contracted Services	**1 309**	**3 759**	**1 845**	**5 699**	**5 557**	**-**	**5 820,00**	**6 134,00**	**6 466,00**
R & M: Buildings, Fences and Sites	-	5 011	1 357	11 978	11 978	3 994	11 520,00	12 902,00	14 451,00
R & M: Furniture	3 066	-	1 940	2 650	2 650	-	2 688,00	3 011,00	3 372,00
Sub-Total: Repairs and Maintenance	**3 066**	**5 011**	**3 297**	**14 628**	**14 628**	**3 994**	**14 208,00**	**15 913,00**	**17 823,00**
Depreciation Fixed Assets	-	140 750	267 620	2 401	2 401	1 401	465 398,00	505 398,00	505 398,00
Sub-Total: Depreciation	**-**	**140 750**	**267 620**	**2 401**	**2 401**	**1 401**	**465 398,00**	**505 398,00**	**505 398,00**
TOTAL OPERATING EXPENDITURE	**56 663**	**211 821**	**319 878**	**193 538**	**185 385**	**51 852**	**645 568,00**	**692 546,00**	**703 703,00**
NET OPERATING EXPENDITURE	**56 663**	**211 821**	**319 878**	**193 538**	**185 385**	**51 852**	**645 568,00**	**692 546,00**	**703 703,00**

ACCOUNTING SURPLUS / (DEFICIT)	**20 164**	**-211 821**	**-319 878**	**-193 538**	**-185 385**	**-51 852**	**54 432,00**	**4 307 454,00**	**-703 703,00**
Contribution to Capital Budget (CRR)									
Contribution to Capital Budget (Capital Replacement Reserve)	-	-	-	-	-	-	-	-	-
Contribution to Capital Budget (Grants and Contributions)	76 827	-	-	-	-	-	700 000,00	5 000 000,00	-
Redemption of External Loans	-	-	-	-	-	-	-	-	-
Plus:									
Offset Depreciation	-	-140 750	-267 620	-2 401	-2 401	-	-465 398,00	-505 398,00	-505 398,00
BUDGET SURPLUS/ (DEFICIT)	**-56 663**	**-71 070**	**-52 258,23**	**-191 137,00**	**-182 984,00**	**-51 851,88**	**-180 170,00**	**-187 148,00**	**-198 305,00**

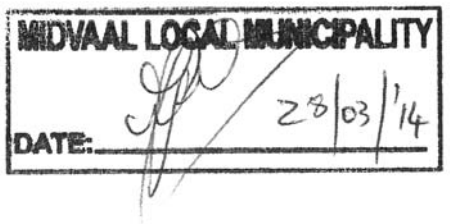


CEMETRIES

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
INCOME									
Municipal Infrastructure Grant	-	-	-	-	-	-	50 000,00	-	-
Sub-Total: National Grants (Capex)	**-**	**-**	**-**	**-**	**-**	**-**	**50 000,00**	**-**	**-**
Sub-Total: Government Grants and Subsidies	**-**	**-**	**-**	**-**	**-**	**-**	**50 000,00**	**-**	**-**
Cemetery Income	513 700	483 626	482 032,53	614 800	614 800	345 387,90	651 688,00	686 879,00	723 971,00
Sub-Total: Other Income	**513 700**	**483 626**	**482 033**	**614 800**	**614 800**	**345 388**	**651 688,00**	**686 879,00**	**723 971,00**
TOTAL OPERATING INCOME	**513 700**	**483 626**	**482 033**	**614 800**	**614 800**	**345 388**	**701 688,00**	**686 879,00**	**723 971,00**
Departmental Charges: Water	-	12 016	-	-	-	-	-	-	-
Sub-Total: Departmental Charges	**-**	**12 016**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
NET OPERATING INCOME	**513 700**	**495 642**	**482 033**	**614 800**	**614 800**	**345 388**	**701 688,00**	**686 879,00**	**723 971,00**

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
EXPENDITURE									
Stores and Materials	-	-	-	965	920	261	920,00	970,00	1 022,00
Sub-Total: General Expenditure	**-**	**-**	**-**	**965**	**920**	**261**	**920,00**	**970,00**	**1 022,00**
Contracted Services: General	166 570	194 887	221 817	268 800	268 800	200 000	372 743,00	392 871,00	414 086,00
Sub-Total: Contracted Services	**166 570**	**194 887**	**221 817**	**268 800**	**268 800**	**200 000**	**372 743,00**	**392 871,00**	**414 086,00**
R & M: Buildings, Fences and Sites	-	11 962	3 526	19 822	19 822	-	68 171,00	76 352,00	85 514,00
R & M: Furniture	-	-	-	1 484	1 484	-	1 510,00	1 691,00	1 894,00
Sub-Total: Repairs and Maintenance	**-**	**11 962**	**3 526**	**21 306**	**21 306**	**-**	**69 681,00**	**78 043,00**	**87 408,00**
Depreciation Fixed Assets	92 838	56 932	109 034	10 685	10 685	6 233	137 539,00	139 205,00	139 205,00
Sub-Total: Depreciation	**92 838**	**56 932**	**109 034**	**10 685**	**10 685**	**6 233**	**137 539,00**	**139 205,00**	**139 205,00**
TOTAL OPERATING EXPENDITURE	**259 408**	**263 782**	**334 377**	**301 756**	**301 711**	**206 494**	**580 883,00**	**611 089,00**	**641 721,00**
Departmental Charges: Water	11 217	12 016	23 970	27 830	27 830	-278	29 499,00	31 092,00	32 771,00
Sub-Total: Departmental Charges	**11 217**	**12 016**	**23 970**	**27 830**	**27 830**	**-278**	**29 499**	**31 092**	**32 771**
NET OPERATING EXPENDITURE	**270 625**	**275 798**	**358 347**	**329 586**	**329 541**	**206 216**	**610 382,00**	**642 181,00**	**674 492,00**

ACCOUNTING SURPLUS / (DEFICIT)	**243 075**	**219 844**	**123 685**	**285 214**	**285 259**	**139 172**	**91 306,00**	**44 698,00**	**49 479,00**
Contribution to Capital Budget (CRR)									
Contribution to Capital Budget (Capital Replacement Reserve)	-	-	-	-	-	-	-	-	-
Contribution to Capital Budget (Grants and Contributions)	-	-	-	-	-	-	50 000,00	-	-
Redemption of External Loans	-	-	-	-	-	-	-	-	-
Plus:									
Offset Depreciation	-92 838	-56 932	-109 034	-10 685	-10 685	-	-137 539,00	-139 205,00	-139 205,00
BUDGET SURPLUS/ (DEFICIT)	**335 914**	**276 777**	**232 719,49**	**295 899,00**	**295 944,00**	**139 172,00**	**178 845,00**	**183 903,00**	**188 684,00**



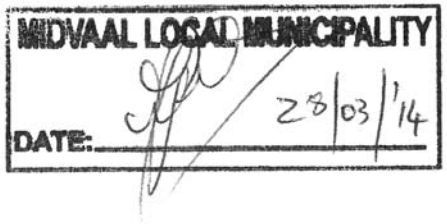
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DATE: 28/03/14

SOCIAL SERVICES ADMIN

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
INCOME									
Other Cash Donations and Contributions	-	-	-			-	330 000,00	330 000,00	330 000,00
Sub-Total: Public Donations	**-**	**-**	**-**	**-**	**-**	**-**	**330 000,00**	**330 000,00**	**330 000,00**
HIV Programme Grant	73 147	284 015	185 000,00	269 143	269 143	-	287 983,00	303 534,00	319 925,00
Sedibeng Capital Grants	-	200 000	-			-	-	-	-
Sub-Total: District Municipality Grants	**73 147**	**484 015**	**185 000**	**269 143**	**269 143**	**-**	**287 983,00**	**303 534,00**	**319 925,00**
DSRAC Grant	-	79 380	-	-	-	-	-	-	-
Sub-Total: Provincial Grants (Opex)	**-**	**79 380**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Sub-Total: Government Grants and Subsidies	**73 147**	**563 395**	**185 000**	**269 143**	**269 143**	**-**	**287 983,00**	**303 534,00**	**319 925,00**
Sundry Income	63	-	-	-	-	-	-	-	-
Sub-Total: Other Income	**63**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL OPERATING INCOME	**73 210**	**563 395**	**185 000**	**269 143**	**269 143**	**-**	**617 983,00**	**633 534,00**	**649 925,00**
Departmental Charges: Water	-	11 266	-	-	-	-	-	-	-
Departmental Charges: Refuse	-	1 080	-	-	-	-	-	-	-
Sub-Total: Departmental Charges	**-**	**12 346**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
NET OPERATING INCOME	**73 210**	**575 741**	**185 000**	**269 143**	**269 143**	**-**	**617 983,00**	**633 534,00**	**649 925,00**

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
EXPENDITURE									
Basic Salaries	1 994 473	2 007 378	2 389 828	2 328 906	2 367 456	1 606 828	2 823 256,00	3 003 944,00	3 196 197,00
Housing Subsidy	5 628	5 052	4 842	6 000	5 795	3 088	6 000,00	6 384,00	6 793,00
Industrial Council Levy	385	385	613	576	666	413	898,00	955,00	1 017,00
Leave Bonus	230 052	218 058	107 472	106 489	111 485	109 988	134 483,00	143 090,00	152 248,00
Overtime	4 125	-	-	-	-	-	-	-	-
Redemption of Leave	4 591	145 128	-	-	-	-	-	-	-
Telephone Allowance	34 400	31 700	39 142	42 000	52 568	36 000	54 000,00	57 456,00	61 133,00
Travelling Allowance	200 589	123 176	297 931	366 000	423 519	274 071	442 000,00	470 288,00	500 386,00
UIF	11 783	11 014	13 331	28 494	30 263	9 321	17 172,00	18 271,00	19 440,00
Skills Development Levy	-	-	25 009	-	29 584	19 288	35 446,00	37 715,00	40 128,00
Group Insurance	2 621	-	-	-	-	-	-	-	-
Medical Aid Fund	96 149	69 569	93 013	72 064	116 040	70 295	66 823,00	71 100,00	75 650,00
Pension Fund	389 850	361 416	447 719	495 185	478 299	335 714	623 534,00	663 440,00	705 900,00
Sub-Total: Remuneration of Employees and Councillors	**2 974 645**	**2 972 875**	**3 418 900**	**3 445 714**	**3 615 675**	**2 465 006**	**4 203 612,00**	**4 472 643,00**	**4 758 892,00**
Bursaries and Student Practical Work	-	-	-	-	-	-	330 000,00	347 820,00	366 602,00
Computer Requirements / Services	3 475	5 020	4 471	5 626	5 362	-	5 362,00	5 652,00	5 957,00
Congresses / Professional Meetings	22 129	17 539	21 870	38 870	37 047	9 041	37 047,00	39 048,00	41 156,00
Fuel Miscellaneous	10 000	17 812	17 879	24 125	6 142	6 142	-	-	-
Fleet - Fuel	-	-	-	-	20 185	2 346	27 250,00	28 722,00	30 272,00
Fleet - Oil	-	-	-	-	238	-	250,00	264,00	278,00
Entertainment	15 742	34 431	32 510	47 053	44 846	42 606	39 200,00	41 317,00	43 548,00
HIV Programme	73 147	292 255	4 881	204 580	194 985	44 314	287 983,00	303 534,00	319 925,00
License Fees	756	876	-	1 125	1 072	-	1 126,00	1 187,00	1 251,00
Marketing / Promotions / Advertisements	4 058	12 959	2 969	10 229	9 749	-	-	-	-
Pauper / Indigent Burials	71 800	100 250	116 900	193 000	183 948	114 100	183 948,00	193 881,00	204 351,00
Periodicals / Reference Books / Magazines	-	-	969	1 062	1 012	938	1 012,00	1 067,00	1 124,00
Public Driver Permit (PDP)	-	-	-	-	27 750	-	27 750,00	29 249,00	30 828,00
Social Services Programme	9 666	10 186	19 695	96 500	91 974	10 146	341 974,00	360 441,00	379 904,00
Non Capital Assets	3 765	3 258	8 615	15 456	14 731	1 619	14 731,00	15 526,00	16 365,00
Rental	47 341	44 123	20 120	57 078	54 401	36 615	61 073,00	64 371,00	67 847,00
Stationery / Printing / Binding	6 720	9 008	10 181	11 580	11 037	7 798	11 589,00	12 215,00	12 874,00
Stores and Materials	11 588	4 902	4 856	13 510	12 876	7 914	12 876,00	13 571,00	14 304,00
Telecommunications	87 820	93 125	109 355	112 519	107 242	64 008	107 242,00	113 033,00	119 137,00
Tracking	-	-	4 450	6 506	6 201	596	6 201,00	6 536,00	6 889,00
Uniforms / Protective Clothing	-	-	439	1 534	1 462	476	1 462,00	1 541,00	1 624,00
Skills Development Levy	23 391	21 713	-	29 215	-	-	-	-	-
Sub-Total: General Expenditure	**391 399**	**667 457**	**380 160**	**869 568**	**832 260**	**348 660**	**1 498 076,00**	**1 578 975,00**	**1 664 236,00**
Contracted Services: General	15 407	137 245	15 978	16 875	16 453	9 674	17 514,00	18 460,00	19 457,00
Sub-Total: Contracted Services	**15 407**	**137 245**	**15 978**	**16 875**	**16 453**	**9 674**	**17 514,00**	**18 460,00**	**19 457,00**

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
R & M: Buildings, Fences and Sites	2 240	2 843	9 021	150 000	150 000	8 300	154 080,00	172 570,00	193 278,00
R & M: Furniture	1 754	-	-	1 908	1 908	-	1 959,00	2 194,00	2 457,00
R & M: Fleet Miscellaneous	2 109	4 887	7 329	11 554	11 554	4 117	11 868,00	13 292,00	14 887,00
Sub-Total: Repairs and Maintenance	**6 102**	**7 730**	**16 350**	**163 462**	**163 462**	**12 417**	**167 907,00**	**188 056,00**	**210 622,00**
Depreciation Fixed Assets	990 537	287 620	517 710	-	-	-	544 237,00	1 254 237,00	604 237,00
Sub-Total: Depreciation	**990 537**	**287 620**	**517 710**	**-**	**-**	**-**	**544 237,00**	**1 254 237,00**	**604 237,00**
TOTAL OPERATING EXPENDITURE	**4 378 091**	**4 072 927**	**4 349 099**	**4 495 619**	**4 627 850**	**2 835 757**	**6 431 346,00**	**7 685 299,00**	**7 540 316,00**
Departmental Charges: Water	14 260	11 266	41 882	4 400	4 400	6 989	4 708,00	4 962,00	5 230,00
Departmental Charges: Refuse	984	1 080	1 296	4 180	4 180	992	4 472,00	4 713,00	4 968,00
Sub-Total: Departmental Charges	**15 244**	**12 346**	**43 178**	**8 580**	**8 580**	**7 981**	**9 180**	**9 675**	**10 198**
NET OPERATING EXPENDITURE	**4 393 336**	**4 085 273**	**4 392 277**	**4 504 199**	**4 636 430**	**2 843 738**	**6 440 526,00**	**7 694 974,00**	**7 550 514,00**
ACCOUNTING SURPLUS / (DEFICIT)	**-4 320 125**	**-3 509 532**	**-4 207 277**	**-4 235 056**	**-4 367 287**	**-2 843 738**	**-5 822 543,00**	**-7 061 440,00**	**-6 900 589,00**
Contribution to Capital Budget (CRR)									
Contribution to Capital Budget (Capital Replacement Reserve)	-	-	-	200 000	183 199	-	100 000,00	1 000 000,00	1 000 000,00
Contribution to Capital Budget (Grants and Contributions)	-	200 000	-	-	-	-	-	-	-
Redemption of External Loans	-	-	-	-	-	-	-	601 485,00	1 265 953,00
Plus:									
Offset Depreciation	-990 537	-287 620	-517 710	-	-	-	-544 237,00	-1 254 237,00	-604 237,00
BUDGET SURPLUS/ (DEFICIT)	**-3 329 588**	**-3 421 912**	**-3 689 566,16**	**-4 435 056,00**	**-4 550 486,00**	**-2 843 738,09**	**-5 378 306,00**	**-7 408 688,00**	**-8 562 305,00**

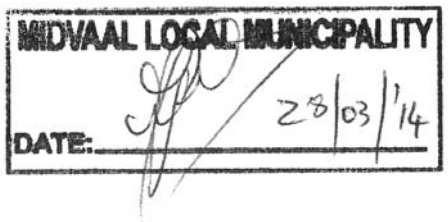


SWIMMING POOL

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
INCOME									
Entrance Fees	-	-	94 222,00	65 700	70 000	90 882,00	69 642,00	73 403,00	77 366,00
Sub-Total: Other Income	**-**	**-**	**94 222**	**65 700**	**70 000**	**90 882**	**69 642,00**	**73 403,00**	**77 366,00**
TOTAL OPERATING INCOME	**-**	**-**	**94 222**	**65 700**	**70 000**	**90 882**	**69 642,00**	**73 403,00**	**77 366,00**
NET OPERATING INCOME	**-**	**-**	**94 222**	**65 700**	**70 000**	**90 882**	**69 642,00**	**73 403,00**	**77 366,00**

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
EXPENDITURE									
Basic Salaries	227 764	273 486	290 835	525 751	496 684	310 363	550 069,00	585 273,00	622 731,00
Industrial Council Levy	49	49	71	360	369	152	408,00	434,00	462,00
Leave Bonus	13 032	13 824	14 723	30 306	29 228	23 035	32 346,00	34 416,00	36 619,00
Overtime	-	-	-	6 000	5 795	-	6 201,00	6 598,00	7 020,00
Redemption of Leave	-	-	4 121	-	-	-	-	-	-
UIF	2 211	2 280	2 608	5 621	5 317	3 216	5 578,00	5 935,00	6 315,00
Skills Development Levy	-	-	3 279	-	5 903	3 690	6 491,00	6 906,00	7 348,00
Group Insurance	3 128	3 318	3 542	5 537	5 339	3 686	5 909,00	6 287,00	6 690,00
Medical Aid Fund	32 080	36 382	39 860	63 188	58 527	40 828	60 682,00	64 566,00	68 698,00
Pension Fund	34 404	36 495	38 966	80 007	77 161	53 259	85 393,00	90 858,00	96 673,00
Sub-Total: Remuneration of Employees and Councillors	**312 668**	**365 834**	**398 007**	**716 770**	**684 323**	**438 230**	**753 077,00**	**801 273,00**	**852 556,00**
Occupational Safety	-	130	1 629	1 071	1 021	-	1 072,00	1 130,00	1 191,00
Non Capital Assets	-	-	-	5 120	4 880	-	4 880,00	5 144,00	5 421,00
Rental	6 029	20 692	7 919	24 345	13 203	-2 396	25 805,00	27 198,00	28 667,00
Stationery / Printing / Binding	2 732	680	435	2 992	12 852	1 942	13 495,00	14 224,00	14 992,00
Stores and Materials	34 908	28 174	40 720	57 997	55 277	26 546	55 277,00	58 262,00	61 408,00
Skills Development Levy	2 485	2 783	-	6 252	-	-	-	-	-
Sub-Total: General Expenditure	**46 154**	**52 458**	**50 703**	**97 777**	**87 233**	**26 092**	**100 529,00**	**105 958,00**	**111 679,00**
Contracted Services: General	-	43 907	-	-	-	-	-	-	-
Sub-Total: Contracted Services	**-**	**43 907**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
R & M: Buildings, Fences and Sites	14 315	36 132	25 221	31 800	31 800	15 492	32 360,00	36 243,00	40 592,00
R & M: Furniture	-	-	-	850	850	-	865,00	969,00	1 085,00
Sub-Total: Repairs and Maintenance	**14 315**	**36 132**	**25 221**	**32 650**	**32 650**	**15 492**	**33 225,00**	**37 212,00**	**41 677,00**
Depreciation Fixed Assets	-	64 784	152 074	2 500	2 500	1 458	153 751,00	157 085,00	157 085,00
Sub-Total: Depreciation	**-**	**64 784**	**152 074**	**2 500**	**2 500**	**1 458**	**153 751,00**	**157 085,00**	**157 085,00**
TOTAL OPERATING EXPENDITURE	**373 137**	**563 114**	**626 005**	**849 697**	**806 706**	**481 273**	**1 040 582,00**	**1 101 528,00**	**1 162 997,00**
Departmental Charges: Water	-	-	53 860	-	-	76 686	-	-	-
Sub-Total: Departmental Charges	**-**	**-**	**53 860**	**-**	**-**	**76 686**	**-**	**-**	**-**
NET OPERATING EXPENDITURE	**373 137**	**563 114**	**679 865**	**849 697**	**806 706**	**557 958**	**1 040 582,00**	**1 101 528,00**	**1 162 997,00**

ACCOUNTING SURPLUS / (DEFICIT)	**-373 137**	**-563 114**	**-585 643**	**-783 997**	**-736 706**	**-467 076**	**-970 940,00**	**-1 028 125,00**	**-1 085 631,00**
Contribution to Capital Budget (CRR)									
Contribution to Capital Budget (Capital Replacement Reserve)	-	-	-	-	-	-	100 000,00	-	-
Contribution to Capital Budget (Grants and Contributions)	-	-	-	-	-	-	-	-	-
Redemption of External Loans	-	-	-	-	-	-	-	-	-
Plus:									
Offset Depreciation	-	-64 784	-152 074	-2 500	-2 500	-	-153 751,00	-157 085,00	-157 085,00
BUDGET SURPLUS/ (DEFICIT)	**-373 137**	**-498 330**	**-433 569,70**	**-781 497,00**	**-734 206,00**	**-467 076,49**	**-917 189,00**	**-871 040,00**	**-928 546,00**

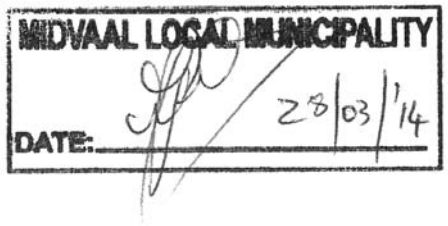


SPORT

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
INCOME									
Municipal Infrastructure Grant	-	-	-	-	-	-	6 000 000,00	4 500 000,00	2 500 000,00
Sub-Total: National Grants (Capex)	**-**	**-**	**-**	**-**	**-**	**-**	**6 000 000,00**	**4 500 000,00**	**2 500 000,00**
Sub-Total: Government Grants and Subsidies	**-**	**-**	**-**	**-**	**-**	**-**	**6 000 000,00**	**4 500 000,00**	**2 500 000,00**
TOTAL OPERATING INCOME	**-**	**-**	**-**	**-**	**-**	**-**	**6 000 000,00**	**4 500 000,00**	**2 500 000,00**
NET OPERATING INCOME	**-**	**-**	**-**	**-**	**-**	**-**	**6 000 000,00**	**4 500 000,00**	**2 500 000,00**

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
EXPENDITURE									
Basic Salaries	228 744	211 739	181 629	209 677	194 030	118 036	215 041,00	228 804,00	243 447,00
Industrial Council Levy	111	103	167	144	147	89	163,00	173,00	185,00
Leave Bonus	20 639	15 256	16 248	17 473	16 169	8 723	17 920,00	19 067,00	20 287,00
Redemption of Leave	11 789	-	-	-	5 515	5 514	-	-	-
Telephone Allowance	1 200	-	-	-	-	-	-	-	-
Travelling Allowance	14 576	-	-	-	-	-	-	-	-
UIF	2 331	2 051	2 541	2 272	2 102	1 414	2 330,00	2 479,00	2 638,00
Skills Development Levy	-	-	2 623	-	2 102	1 352	2 330,00	2 479,00	2 638,00
Group Insurance	1 123	-	-	-	-	-	-	-	-
Medical Aid Fund	9 036	2 324	9 295	-	15 000	11 662	-	-	-
Pension Fund	53 010	43 393	56 280	46 129	42 687	25 968	47 309,00	50 337,00	53 558,00
Sub-Total: Remuneration of Employees and Councillors	**342 558**	**274 865**	**268 783**	**275 695**	**277 752**	**172 758**	**285 093,00**	**303 339,00**	**322 753,00**
Congresses / Professional Meetings	-	-	-	-	150	150	150,00	158,00	167,00
Stationery / Printing / Binding	-	-	2 797	4 246	4 047	339	4 249,00	4 478,00	4 720,00
Stores and Materials	2 735	4 415	4 800	5 018	4 783	4 651	4 783,00	5 041,00	5 314,00
Uniforms / Protective Clothing	-	-	1 711	4 603	4 387	-	4 387,00	4 624,00	4 874,00
Skills Development Levy	2 618	1 965	-	2 272	-	-	-	-	-
Sub-Total: General Expenditure	**5 353**	**6 380**	**9 307**	**16 139**	**13 367**	**5 140**	**13 569,00**	**14 301,00**	**15 075,00**
Contracted Services: General	-	-	-	144 000	140 400	26 625	148 061,00	156 056,00	164 483,00
Sub-Total: Contracted Services	**-**	**-**	**-**	**144 000**	**140 400**	**26 625**	**148 061,00**	**156 056,00**	**164 483,00**
R & M: Buildings, Fences and Sites	-	3 680	11 515	50 000	50 000	24 532	50 880,00	56 986,00	63 824,00
Sub-Total: Repairs and Maintenance	**-**	**3 680**	**11 515**	**50 000**	**50 000**	**24 532**	**50 880,00**	**56 986,00**	**63 824,00**
Depreciation Fixed Assets	-	513 051	1 060 141	721 354	721 354	420 790	1 358 315,00	2 027 482,00	1 689 982,00
Sub-Total: Depreciation	**-**	**513 051**	**1 060 141**	**721 354**	**721 354**	**420 790**	**1 358 315,00**	**2 027 482,00**	**1 689 982,00**
TOTAL OPERATING EXPENDITURE	**347 911**	**797 975**	**1 349 745**	**1 207 188**	**1 202 873**	**649 844**	**1 855 918,00**	**2 558 164,00**	**2 256 117,00**
NET OPERATING EXPENDITURE	**347 911**	**797 975**	**1 349 745**	**1 207 188**	**1 202 873**	**649 844**	**1 855 918,00**	**2 558 164,00**	**2 256 117,00**

ACCOUNTING SURPLUS / (DEFICIT)	**-347 911**	**-797 975**	**-1 349 745**	**-1 207 188**	**-1 202 873**	**-649 844**	**4 144 082,00**	**1 941 836,00**	**243 883,00**
Contribution to Capital Budget (CRR)									
Contribution to Capital Budget (Capital Replacement Reserve)	-	-	-	-	-	-	20 000,00	-	-
Contribution to Capital Budget (Grants and Contributions)	-	-	-	-	-	-	6 000 000,00	-	-
Redemption of External Loans	-	-	-	-	-	-	-	-	-
Plus:									
Offset Depreciation	-	-513 051	-1 060 141	-721 354	-721 354	-	-1 358 315,00	-2 027 482,00	-1 689 982,00
BUDGET SURPLUS/ (DEFICIT)	**-347 911**	**-284 924**	**-289 604,89**	**-485 834,00**	**-481 519,00**	**-649 844,46**	**-517 603,00**	**3 969 318,00**	**1 933 865,00**



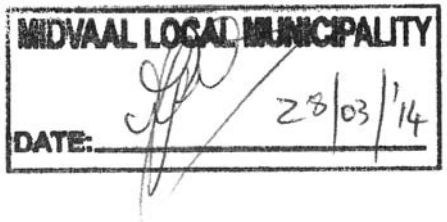
PARKS

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
INCOME									
Public Donations (Capital Infrastructure)	8 600 000	-	-	-	-	-	-	-	-
Sub-Total: Public Donations	**8 600 000**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Municipal Infrastructure Grant	1 959 045	1 489 598	1 900 000,00	4 250 000	4 250 000	2 718 000,00	-	-	-
Sub-Total: National Grants (Capex)	**1 959 045**	**1 489 598**	**1 900 000**	**4 250 000**	**4 250 000**	**2 718 000**	**-**	**-**	**-**
EPWP Grant	-	-	-	350 318	350 318	350 318,00	565 000,00	-	-
Sub-Total: National Grants (Opex)	**-**	**-**	**-**	**350 318**	**350 318**	**350 318**	**565 000,00**	**-**	**-**
DSRAC Grant	101 979	-	-	-	-	-	-	-	-
Sub-Total: Provincial Grants (Capex)	**101 979**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Sub-Total: Government Grants and Subsidies	**2 061 025**	**1 489 598**	**1 900 000**	**4 600 318**	**4 600 318**	**3 068 318**	**565 000,00**	**-**	**-**
Cleaning of Stands	64 945	-1 316	19 807,02	90 100	90 100	61 160,80	95 506,00	100 663,00	106 099,00
Entrance Fees	55 179	64 010	-	-	-	-	-	-	-
Sub-Total: Other Income	**120 123**	**62 694**	**19 807**	**90 100**	**90 100**	**61 161**	**95 506,00**	**100 663,00**	**106 099,00**
TOTAL OPERATING INCOME	**10 781 148**	**1 552 291**	**1 919 807**	**4 690 418**	**4 690 418**	**3 129 479**	**660 506,00**	**100 663,00**	**106 099,00**
Departmental Charges: Water	-	170 769	-	-	-	-	-	-	-
Sub-Total: Departmental Charges	**-**	**170 769**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
NET OPERATING INCOME	**10 781 148**	**1 723 060**	**1 919 807**	**4 690 418**	**4 690 418**	**3 129 479**	**660 506,00**	**100 663,00**	**106 099,00**

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
EXPENDITURE									
Basic Salaries	4 212 334	4 724 011	5 567 187	5 284 931	5 132 796	3 430 705	5 700 624,00	6 565 464,00	6 453 654,00
Housing Subsidy	24 243	15 135	9 534	27 500	18 062	6 899	19 000,00	20 216,00	21 510,00
Industrial Council Levy	2 165	2 103	3 273	3 240	3 319	2 178	3 754,00	3 994,00	4 250,00
Leave Bonus	341 280	356 509	407 979	440 411	397 776	212 863	462 771,00	492 388,00	523 901,00
Overtime	116 940	69 563	19 664	100 000	96 590	-	103 351,00	109 965,00	117 003,00
Redemption of Leave	123 391	-	25 209	39 641	34 648	10 285	37 697,00	40 110,00	42 677,00
Telephone Allowance	31 646	27 597	28 938	28 950	26 403	18 513	27 390,00	29 143,00	31 008,00
Travelling Allowance	169 004	161 144	186 121	220 000	212 498	125 497	188 700,00	200 777,00	213 627,00
UIF	44 310	43 096	53 012	61 414	59 188	34 676	56 983,00	60 630,00	64 510,00
Skills Development Levy	-	-	57 219	-	61 433	37 861	66 308,00	70 552,00	75 067,00
Group Insurance	10 281	10 906	11 892	7 788	7 708	7 630	8 524,00	9 070,00	9 650,00
Medical Aid Fund	152 435	149 617	182 777	238 938	224 556	121 222	194 580,00	207 033,00	220 283,00
Pension Fund	909 102	930 026	1 104 960	1 186 501	1 152 646	760 525	1 239 863,00	1 319 214,00	1 403 644,00
Sub-Total: Remuneration of Employees and Councillors	**6 137 129**	**6 489 707**	**7 657 766**	**7 639 314**	**7 427 623**	**4 768 855**	**8 109 545,00**	**9 128 556,00**	**9 180 784,00**
Computer Requirements / Services	798	5 312	339	2 895	2 759	-	2 759,00	2 908,00	3 065,00
Congresses / Professional Meetings	-	-	-	-	1 650	1 650	1 650,00	1 739,00	1 833,00
Fuel Miscellaneous	571 728	829 162	835 478	681 290	102 040	102 032	-	-	-
Fleet - Fuel	-	-	-	-	466 350	212 801	809 573,00	853 290,00	899 368,00
Fleet - Oil	-	-	-	-	6 000	3 561	6 300,00	6 640,00	6 999,00
Fuel Miscellaneous	-	-	-	-	106 900	95 576	144 315,00	152 108,00	160 322,00
Lease Agreements	-	-	-	195 797	195 797	27 913	-	-	-
License Fees	13 260	12 169	14 092	13 707	13 064	10 632	13 717,00	14 458,00	15 238,00
Marketing / Promotions / Advertisements	-	739	-	-	-	-	-	-	-
Occupational Safety	2 227	10 300	8 648	16 551	15 775	5 700	16 564,00	17 458,00	18 401,00
Non Capital Assets	49 324	84 835	69 961	65 534	62 460	51 357	62 460,00	65 833,00	69 388,00
Rental	88 746	72 593	93 654	76 001	76 001	72 364	180 000,00	189 720,00	199 965,00
Stationery / Printing / Binding	5 381	20 053	9 822	13 510	12 876	12 913	13 520,00	14 250,00	15 020,00
Stores and Materials	328 395	209 018	187 863	221 950	221 950	213 312	221 950,00	233 935,00	246 568,00
Telecommunications	24 389	26 250	28 623	29 664	28 273	14 303	28 273,00	29 800,00	31 409,00
Tracking	13 636	20 159	26 878	38 461	36 657	6 751	36 657,00	38 636,00	40 723,00
Uniforms / Protective Clothing	57 268	159 422	157 929	176 962	176 962	164 143	250 000,00	263 500,00	277 729,00
Skills Development Levy	47 225	46 126	-	63 804	-	-	-	-	-
Sub-Total: General Expenditure	**1 202 377**	**1 496 139**	**1 433 288**	**1 596 126**	**1 525 514**	**995 008**	**1 787 738,00**	**1 884 275,00**	**1 986 028,00**
Interest: External Borrowings	-	-	-	105 364	105 364	13 209	181 674,00	62 504,00	43 547,00
Sub-Total: Interest External Borrowings	**-**	**-**	**-**	**105 364**	**105 364**	**13 209**	**181 674,00**	**62 504,00**	**43 547,00**
Contracted Services: General	5 761 229	3 816 363	4 317 657	96 [illegible]	[illegible]	[illegible]	187 499,00	197 624,00	208 296,00
Contracted Services: EPWP	-	-	-	1 000 000	1 525 [illegible]	903 930	989 375,00	1 042 801,00	1 099 113,00
Contracted Services: Grass Cutting	-	-	-	3 078 720	2 651 762	748 058	-	-	-

SEDIBENG DISTRICT MUNICIPALITY
DATE: 28/03/14

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
Contracted Services: Flowerbed Maintenance	-	-	-	316 800	308 880	60 636	-	-	-
Contracted Services: Tree Cutting	-	-	-	76 800	74 880	26 256	-	-	-
Contracted Services: Pest Control	-	-	-	28 800	28 080	15 893	-	-	-
Contracted Services: Reclaim our Parks	-	-	-	814 080	414 080	-	517 000,00	544 918,00	574 344,00
Sub-Total: Contracted Services	**5 761 229**	**3 816 363**	**4 317 657**	**5 411 200**	**4 981 772**	**1 842 181**	**1 693 874,00**	**1 785 343,00**	**1 881 753,00**
R & M: Buildings, Fences and Sites	126 146	88 519	55 092	74 200	104 200	16 832	288 000,00	322 560,00	361 267,00
R & M: Grass Cutting	-	-	-	-	-	-	3 078 720,00	3 297 671,00	3 475 745,00
R & M: Flowerbed Maintenance	-	-	-	-	-	-	257 296,00	323 890,00	341 380,00
R & M: Tree Cutting	-	-	-	-	-	-	54 338,00	83 622,00	88 138,00
R & M: Pest Control	-	-	-	-	-	-	33 852,00	62 030,00	65 380,00
R & M: Furniture	6 257	924	-	3 392	3 392	-	3 468,00	3 884,00	4 350,00
R & M: Fleet Miscellaneous	1 095 141	590 900	665 737	742 000	112 000	88 337	1 000 320,00	1 120 358,00	1 254 801,00
R & M: Fleet	-	-	-	-	630 000	158 861	-	-	-
Sub-Total: Repairs and Maintenance	**1 227 544**	**680 343**	**720 829**	**819 592**	**849 592**	**264 029**	**4 715 994,00**	**5 214 015,00**	**5 591 061,00**
Depreciation Fixed Assets	1 211 055	338 617	307 716	1 726 659	1 726 659	1 007 218	804 405,00	1 112 719,00	1 112 719,00
Sub-Total: Depreciation	**1 211 055**	**338 617**	**307 716**	**1 726 659**	**1 726 659**	**1 007 218**	**804 405,00**	**1 112 719,00**	**1 112 719,00**
TOTAL OPERATING EXPENDITURE	**15 539 335**	**12 821 168**	**14 437 255**	**17 298 255**	**16 616 524**	**8 890 500**	**17 293 230,00**	**19 187 412,00**	**19 795 892,00**
Departmental Charges: Electricity	-	-	1 518	-	-	6 205	-	-	-
Departmental Charges: Water	64 579	170 769	315 184	172 150	172 150	83 869	182 479,00	192 333,00	202 719,00
Departmental Charges: Refuse	-	-	-	-	-	204 093	-	-	-
Sub-Total: Departmental Charges	**64 579**	**170 769**	**316 701**	**172 150**	**172 150**	**294 167**	**182 479**	**192 333**	**202 719**
NET OPERATING EXPENDITURE	**15 603 914**	**12 991 937**	**14 753 956**	**17 470 405**	**16 788 674**	**9 184 667**	**17 475 709,00**	**19 379 745,00**	**19 998 611,00**
ACCOUNTING SURPLUS / (DEFICIT)	**-4 822 766**	**-11 268 877**	**-12 834 149**	**-12 779 987**	**-12 098 256**	**-6 055 189**	**-16 815 203,00**	**-19 279 082,00**	**-19 892 512,00**
Contribution to Capital Budget (CRR)									
Contribution to Capital Budget (Capital Replacement Reserve)	-	-	-	419 000	408 641	-	684 000,00	-	-
Contribution to Capital Budget (Grants and Contributions)	10 661 025	1 489 598	1 900 000	4 250 000	4 250 000	-	-	4 500 000,00	2 500 000,00
Redemption of External Loans	-	-	-	-	-	-	381 105,00	194 275,00	213 232,00
Plus:									
Offset Depreciation	-1 211 055	-338 617	-307 716	-1 726 659	-1 726 659	-	-804 405,00	-1 112 719,00	-1 112 719,00
BUDGET SURPLUS/ (DEFICIT)	**-14 272 735**	**-12 419 857**	**-14 426 433,10**	**-15 722 328,00**	**-15 030 238,00**	**-6 055 188,61**	**-17 075 903,00**	**-22 860 638,00**	**-21 493 025,00**



MIDVAAL LOCAL MUNICIPALITY
28/03/14
DATE:

ENVIRONMENTAL SERVICES

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
INCOME									
Environmental Subsidy Grant	2 437 461	2 575 201	1 854 734,74	3 117 201	3 117 201	1 083 268,78	3 000 000,00	3 162 000,00	3 332 748,00
Sedibeng Capital Grants	115 646	-	-			-	-	-	-
Sub-Total: District Municipality Grants	**2 553 107**	**2 575 201**	**1 854 735**	**3 117 201**	**3 117 201**	**1 083 269**	**3 000 000,00**	**3 162 000,00**	**3 332 748,00**
Sub-Total: Government Grants and Subsidies	**2 553 107**	**2 575 201**	**1 854 735**	**3 117 201**	**3 117 201**	**1 083 269**	**3 000 000,00**	**3 162 000,00**	**3 332 748,00**
TOTAL OPERATING INCOME	**2 553 107**	**2 575 201**	**1 854 735**	**3 117 201**	**3 117 201**	**1 083 269**	**3 000 000**	**3 162 000,00**	**3 332 748,00**
NET OPERATING INCOME	**2 553 107**	**2 575 201**	**1 854 735**	**3 117 201**	**3 117 201**	**1 083 269**	**3 000 000,00**	**3 162 000,00**	**3 332 748,00**

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
EXPENDITURE									
Basic Salaries	1 097 891	1 257 063	1 179 448	1 478 911	1 478 911	899 548	1 406 112,00	1 496 103,00	1 591 854,00
Housing Subsidy	10 348	16 702	17 044	18 000	18 000	7 648	18 000,00	19 152,00	20 378,00
Industrial Council Levy	288	283	327	504	504	337	490,00	521,00	555,00
Leave Bonus	61 100	78 370	76 630	123 243	123 243	81 306	117 176,00	124 675,00	132 654,00
Redemption of Leave	-	21 106	11 092	-	-	28 986	-	-	-
Telephone Allowance	25 340	24 990	21 890	19 440	19 440	14 710	23 640,00	25 153,00	26 763,00
Travelling Allowance	57 681	61 647	62 480	75 000	75 000	45 885	68 900,00	73 310,00	78 001,00
UIF	8 765	8 926	8 098	17 146	17 146	7 086	10 842,00	11 536,00	12 274,00
Skills Development Levy	-	-	12 332	-	18 242	10 554	16 961,00	18 047,00	19 201,00
Group Insurance	3 982	4 224	4 510	7 247	7 247	3 221	7 724,00	8 218,00	8 744,00
Medical Aid Fund	55 918	71 800	65 622	109 600	109 600	50 522	62 268,00	66 253,00	70 493,00
Pension Fund	234 480	245 647	224 098	338 125	338 125	186 158	308 439,00	328 179,00	349 183,00
Sub-Total: Remuneration of Employees and Councillors	**1 555 792**	**1 790 758**	**1 683 572**	**2 187 216**	**2 205 458**	**1 335 961**	**2 040 552,00**	**2 171 147,00**	**2 310 100,00**
Computer Requirements / Services	6 019	5 472	350	11 200	11 200	768	11 872,00	11 805,00	12 442,00
Congresses / Professional Meetings	46 835	116 328	4 854	61 904	61 904	12 730	65 618,00	65 247,00	68 770,00
Fuel Miscellaneous	42 385	88 600	54 279	88 722	2 124	2 124	-	-	-
Fleet - Fuel	-	-	-	-	65 698	25 113	35 000,00	36 890,00	38 882,00
Fleet - Oil	-	-	-	-	900	-	2 000,00	2 108,00	2 222,00
Fuel Miscellaneous	-	-	-	-	20 000	2 732	15 000,00	15 810,00	16 664,00
License Fees	828	676	1 044	7 208	7 208	348	2 500,00	2 635,00	2 777,00
Occupational Safety	-	-	2 063	1 443	1 443	-	1 606,00	1 597,00	1 683,00
Periodicals / Reference Books / Magazines	-	7 887	-	14 200	14 200	-	15 052,00	14 967,00	15 775,00
Pest Control	2 324	-	228	11 872	11 872	-	12 584,00	12 513,00	13 189,00
Non Capital Assets	15 858	50 719	1 990	20 798	20 798	3 644	47 700,00	47 430,00	49 991,00
Rental	102 704	191 002	67 352	159 318	159 318	60 173	180 698,00	179 675,00	189 378,00
Laboratory Services	1 428	1 864	-	7 526	7 526	-	7 978,00	7 932,00	8 361,00
Stationery / Printing / Binding	14 757	35 499	30 026	53 100	53 100	17 044	37 100,00	36 890,00	38 882,00
Stores and Materials	56 366	35 942	32 806	64 900	64 900	16 103	31 800,00	31 620,00	33 327,00
Telecommunications	47 465	47 000	36 600	38 796	38 796	18 112	41 124,00	40 891,00	43 099,00
Tracking	21 117	11 778	7 013	25 652	25 652	1 417	8 480,00	8 432,00	8 887,00
Uniforms / Protective Clothing	42 450	63 140	13 226	73 246	73 246	4 246	37 100,00	36 890,00	38 882,00
Skills Development Levy	11 714	12 990	-	18 242	-	-	-	-	-
Sub-Total: General Expenditure	**412 250**	**668 896**	**251 830**	**658 127**	**639 885**	**164 554**	**553 212,00**	**553 332,00**	**583 211,00**
Contracted Services: General	60 957	39 707	18 492	52 915	52 915	9 777	55 822,00	80 944,00	69 053,00
Sub-Total: Contracted Services	**60 957**	**39 707**	**18 492**	**52 915**	**52 915**	**9 777**	**55 822,00**	**80 944,00**	**69 053,00**
R & M: Buildings, Fences and Sites	180 567	152 093	492	106 000	106 000	-	35 616,00	37 632,00	42 148,00
R & M: Furniture	2 015	25 588	-	36 146	36 146	-	25 440,00	26 880,00	30 106,00
R & M: Fleet Miscellaneous	35 296	16 971	4 890	42 400	12 400	4 038	12 211,00	12 902,00	14 451,00
R & M: Fleet	-	-	-	-	30 000	16 603	35 616,00	37 632,00	42 148,00
Sub-Total: Repairs and Maintenance	**217 878**	**194 652**	**5 382**	**184 546**	**184 546**	**20 641**	**108 883,00**	**115 046,00**	**128 853,00**
Depreciation Fixed Assets	-	192 607	392 514	32 192	32 192	18 779	241 531,00	241 531,00	241 531,00
Sub-Total: Depreciation	**-**	**192 607**	**392 514**	**32 192**	**32 192**	**18 779**	**241 531,00**	**241 531,00**	**241 531,00**
TOTAL OPERATING EXPENDITURE	**2 246 877**	**2 886 621**	**2 351 791**	**3 114 996**	**3 114 996**	**1 549 712**	**3 000 000,00**	**3 162 000,00**	**3 332 748,00**
NET OPERATING EXPENDITURE	**2 246 877**	**2 886 621**	**2 351 791**	**3 114 996**	**3 114 996**	**1 549 712**	**3 000 000,00**	**3 162 000,00**	**3 332 748,00**

ACCOUNTING SURPLUS / (DEFICIT)	**306 229**	**-311 420**	**-497 056**	**2 205**	**2 205**	**-466 443**	**-**	**-**	**-**
Contribution to Capital Budget (CRR)									
Contribution to Capital Budget (Capital Replacement Reserve)	-	-	-	-	-	-	-	-	-

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
Contribution to Capital Budget (Grants and Contributions)	115 646	-	-	-	-	-	-	-	-
Redemption of External Loans	-	-	-	-	-	-	-	-	-
Plus:									
Offset Depreciation	-	-192 607	-392 514	-32 192	-32 192	-	-241 531,00	-241 531,00	-241 531,00
BUDGET SURPLUS/ (DEFICIT)	**190 583**	**-118 813**	**-104 541,88**	**34 397,00**	**34 397,00**	**-466 443,02**	**241 531,00**	**241 531,00**	**241 531,00**

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WASTE

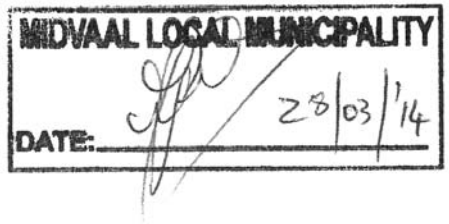
FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
INCOME									
Refuse Removal: General	14 391 719	15 972 675	18 785 096,46	22 670 333	22 670 333	15 500 996,69	25 809 160,00	27 615 801,00	29 548 907,00
Refuse Removal: Special	1 912 246	1 456 977	2 530 817,74	2 897 662	2 897 662	1 646 902,75	3 734 950,00	3 996 396,00	4 276 144,00
Sub-Total: Refuse Removal	**16 303 965**	**17 694 360**	**21 315 914**	**25 567 995**	**25 567 995**	**17 147 899**	**29 544 110,00**	**31 612 197,00**	**33 825 051,00**
Sub-Total: User Charges for Services	**16 303 965**	**17 694 360**	**21 315 914**	**25 567 995**	**25 567 995**	**17 147 899**	**29 544 110,00**	**31 612 197,00**	**33 825 051,00**
Municipal Infrastructure Grant	2 033 293	3 104 198	-	-	-	-	-	4 820 000,00	-
Sub-Total: National Grants (Capex)	**2 033 293**	**3 104 198**	**-**	**-**	**-**	**-**	**-**	**4 820 000,00**	**-**
Equitable Share Grant	6 482 612	7 550 956	8 610 000,00	9 550 270	9 550 270	7 163 622,78	10 472 662,00	11 807 886,00	13 298 091,00
EPWP Grant	-	25 704	1 000 000,00	394 904	394 904	394 904,00	300 000,00	-	-
Sub-Total: National Grants (Opex)	**6 482 612**	**7 576 660**	**9 610 000**	**9 945 174**	**9 945 174**	**7 558 527**	**10 772 662,00**	**11 807 886,00**	**13 298 091,00**
Sub-Total: Government Grants and Subsidies	**8 515 905**	**10 680 858**	**9 610 000**	**9 945 174**	**9 945 174**	**7 558 527**	**10 772 662,00**	**16 627 886,00**	**13 298 091,00**
Services Charges	-	223 127	-	-	-	-	-	-	-
Disposal Fees (Landfill Site)	1 891 979	2 435 579	2 538 267,41	2 940 000	2 940 000	1 815 049,03	3 116 400,00	3 284 686,00	3 462 059,00
Rehabilitation (Landfill Site)	102 307	132 942	138 980,83	147 000	147 000	93 796,92	155 820,00	164 234,00	173 103,00
Sub-Total: Other Income	**1 994 286**	**2 791 648**	**2 677 248**	**3 087 000**	**3 087 000**	**1 908 846**	**3 272 220,00**	**3 448 920,00**	**3 635 162,00**
TOTAL OPERATING INCOME	**26 814 155**	**31 166 866**	**33 603 162**	**38 600 169**	**38 600 169**	**26 615 272**	**43 588 992,00**	**51 689 003,00**	**50 758 304,00**
Departmental Charges: Refuse	-	-	1 019 888,31	1 111 667	1 111 667	822 520,81	1 814 920,00	1 912 926,00	2 016 224,00
Sub-Total: Departmental Charges	**-**	**-**	**1 019 888**	**1 111 667**	**1 111 667**	**822 521**	**1 814 920,00**	**1 912 926,00**	**2 016 224,00**
NET OPERATING INCOME	**26 814 155**	**31 166 866**	**34 623 051**	**39 711 836**	**39 711 836**	**27 437 793**	**45 403 912,00**	**53 601 929,00**	**52 774 528,00**

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
EXPENDITURE									
Acting Allowance	-	-	-	5 000	4 829	-	5 000,00	5 320,00	5 660,00
Basic Salaries	6 769 099	8 200 322	9 085 955	9 066 568	8 784 442	5 909 633	9 630 801,00	10 747 172,00	11 902 991,00
Housing Subsidy	69 264	77 789	81 198	97 500	94 175	50 260	97 500,00	103 740,00	110 379,00
Industrial Council Levy	3 784	3 969	5 926	6 120	6 268	4 178	6 936,00	7 380,00	7 852,00
Leave Bonus	579 171	605 182	684 260	748 941	711 162	543 393	784 267,00	834 460,00	887 866,00
Overtime	1 729 480	1 655 521	2 698 760	1 600 000	3 145 440	1 662 979	3 365 621,00	3 581 021,00	3 810 206,00
Redemption of Leave	33 176	27 501	27 013	48 767	47 032	50 788	50 057,00	53 261,00	56 669,00
Standby Allowance	588	3 147	-	-	-	-	-	-	-
Telephone Allowance	57 132	56 845	57 146	59 010	55 348	39 015	57 360,00	61 031,00	64 937,00
Travelling Allowance	155 276	164 665	180 968	190 000	188 521	125 606	189 000,00	201 096,00	213 966,00
UIF	83 292	90 305	107 085	123 472	130 129	75 261	100 834,00	107 287,00	114 154,00
Skills Development Levy	-	-	-	-	135 175	80 517	113 136,00	120 377,00	128 081,00
Medical Aid Fund	365 391	381 556	467 722	531 390	486 509	326 399	504 629,00	536 925,00	571 288,00
Pension Fund	1 482 832	1 652 729	1 823 743	1 830 822	1 775 012	1 285 538	1 917 153,00	2 039 851,00	2 170 401,00
Sub-Total: Remuneration of Employees and Councillors	**11 328 486**	**12 919 530**	**15 219 775**	**14 307 590**	**15 564 042**	**10 153 567**	**16 822 294,00**	**18 398 921,00**	**20 044 450,00**
Computer Requirements / Services	3 600	6 845	4 471	8 203	7 818	-	7 818,00	8 240,00	8 685,00
Congresses / Professional Meetings	-	-	-	-	3 900	3 900	3 900,00	4 111,00	4 333,00
Fuel Miscellaneous	963 408	1 179 499	1 623 742	1 386 244	477 044	476 971	-	-	-
Fleet - Fuel	-	-	-	-	636 957	779 455	859 892,00	906 326,00	955 268,00
Fleet - Oil	-	-	-	-	9 531	-	10 008,00	10 548,00	11 118,00
Fuel Miscellaneous	-	-	-	-	220 071	12 769	297 096,00	313 139,00	330 049,00
Lease Agreements	-	-	36	1 067 836	849 918	712 491	-	-	-
License Fees	106 000	103 483	167 136	260 550	257 780	134 253	270 669,00	285 285,00	300 691,00
Marketing / Promotions / Advertisements	2 799	9 166	18 510	28 950	27 592	-	-	-	-
Occupational Safety	-	18 100	27 664	14 998	14 295	989	15 010,00	15 821,00	16 675,00
Non Capital Assets	5 939	16 111	103 979	30 202	30 202	26 326	30 202,00	31 833,00	33 552,00
Rental	5 217 311	5 656 296	5 604 084	4 762 275	4 538 924	3 362 374	5 071 822,00	5 345 700,00	5 634 368,00
Stationery / Printing / Binding	14 913	23 007	34 421	27 020	48 733	27 172	51 170,00	53 933,00	56 846,00
Stores and Materials	107 373	93 036	110 239	193 000	183 948	66 210	183 948,00	193 881,00	204 351,00
Telecommunications	25 920	23 177	24 886	25 573	24 374	10 044	24 374,00	25 690,00	27 077,00
Tracking	23 068	31 235	35 471	57 418	54 725	12 605	54 725,00	57 680,00	60 795,00
Uniforms / Protective Clothing	49 846	78 414	126 208	143 206	136 490	134 756	136 490,00	143 860,00	151 629,00
Skills Development Levy	87 639	95 848	-	123 472	-	-	-	-	-
Sub-Total: General Expenditure	**6 607 817**	**7 334 217**	**7 880 849**	**8 128 947**	**7 522 302**	**5 760 316**	**7 017 124,00**	**7 396 047,00**	**7 795 437,00**
Interest: External Borrowings	2 196 998	411 502	348 571	389 316	389 316	274 512	669 790,00	489 211,00	73 444,00
Interest: Provision for landfill rehabilitation	-	-	2 843 789				-	-	-

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FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
Sub-Total: Interest External Borrowings	**2 196 998**	**411 502**	**3 192 360**	**389 316**	**389 316**	**274 512**	**669 790,00**	**489 211,00**	**73 444,00**
Contracted Services: General	4 007 684	5 282 418	4 287 404	6 144 000	5 990 400	3 011 730	4 037 059,00	4 255 060,00	4 484 833,00
Contracted Services: Strike Contingency Plan	-	91 040	-	91 584	89 294	-	94 610,00	99 719,00	105 104,00
Contracted Services: EPWP	-	168 435	207 018	394 904	385 031	214 912	700 000,00	737 800,00	777 641,00
Contracted Services: Recycling	-	567 600	-	-	-	-	-	-	-
Sub-Total: Contracted Services	**4 007 684**	**6 109 493**	**4 494 421**	**6 630 488**	**6 464 725**	**3 226 643**	**4 831 669,00**	**5 092 579,00**	**5 367 578,00**
R & M: Buildings, Fences and Sites	7 472	61 507	95 820	139 803	139 803	121 727	142 934,00	160 086,00	179 296,00
R & M: Furniture	5 578	-	3 568	4 452	4 452	2 249	4 551,00	5 097,00	5 709,00
R & M: Fleet Miscellaneous	1 046 778	1 484 612	1 578 857	2 000 000	1 000 000	651 619	1 084 800,00	1 214 976,00	1 360 773,00
R & M: Fleet	-	-	-	-	1 100 000	437 919	960 000,00	1 075 200,00	1 204 224,00
R & M: Rehab of Landfill Sites	6 824	-	-379 382	70 000	50 000	965	2 381 568,00	2 510 172,00	2 645 721,00
Sub-Total: Repairs and Maintenance	**1 066 652**	**1 546 119**	**1 298 862**	**2 214 255**	**2 294 255**	**1 214 479**	**4 573 853,00**	**4 965 531,00**	**5 395 723,00**
Indigent Grants: Free Refuse Collection	-	-	-			-	850 000,00	909 500,00	973 165,00
Sub-Total: Grants Paid	**-**	**-**	**-**	**-**	**-**	**-**	**850 000,00**	**909 500,00**	**973 165,00**
Depreciation Fixed Assets	18 419 326	1 552 188	3 360 369	2 704 728	2 704 728	1 577 758	11 735 395,00	12 167 109,00	11 926 109,00
Sub-Total: Depreciation	**18 419 326**	**1 552 188**	**3 360 369**	**2 704 728**	**2 704 728**	**1 577 758**	**11 735 395,00**	**12 167 109,00**	**11 926 109,00**
Provision for Bad Debt	1 030 000	1 100 000	3 000 000	-	-	-	1 200 335,00	1 322 155,00	1 494 984,00
Sub-Total: Contributions to Provisions	**1 030 000**	**1 100 000**	**3 000 000**	**-**	**-**	**-**	**1 200 335,00**	**1 322 155,00**	**1 494 984,00**
TOTAL OPERATING EXPENDITURE	**44 656 963**	**30 973 047**	**38 446 638**	**34 375 324**	**34 939 368**	**22 207 275**	**47 700 460,00**	**50 741 053,00**	**53 070 890,00**
Departmental Charges: Electricity	-	-	1 149	-	-	2 544	-	-	-
Sub-Total: Departmental Charges	**-**	**-**	**1 149**	**-**	**-**	**2 544**	**-**	**-**	**-**
NET OPERATING EXPENDITURE	**44 656 963**	**30 973 047**	**38 447 786**	**34 375 324**	**34 939 368**	**22 209 819**	**47 700 460,00**	**50 741 053,00**	**53 070 890,00**

ACCOUNTING SURPLUS / (DEFICIT)	**-17 842 807**	**193 819**	**-3 824 736**	**5 336 512**	**4 772 468**	**5 227 974**	**-2 296 548,00**	**2 860 876,00**	**-296 362,00**
Contribution to Capital Budget (CRR)									
Contribution to Capital Budget (Capital Replacement Reserve)	-	-	-	310 000	299 836	-	250 000,00	-	-
Contribution to Capital Budget (Grants and Contributions)	2 033 293	3 104 198	-	-	-	-	-	4 820 000,00	-
Redemption of External Loans	-	-	-	-	-	-	2 190 776,00	1 255 994,00	510 082,00
Plus:									
Offset Depreciation	-1 040 365	-1 552 188	-3 360 369	-2 704 728	-2 704 728	-	-11 235 395,00	-12 167 109,00	-11 926 109,00
BUDGET SURPLUS/ (DEFICIT)	**-18 835 736**	**-1 358 191**	**-464 366,30**	**7 731 240,00**	**7 177 360,00**	**5 227 973,96**	**6 498 071,00**	**8 951 991,00**	**11 119 665,00**



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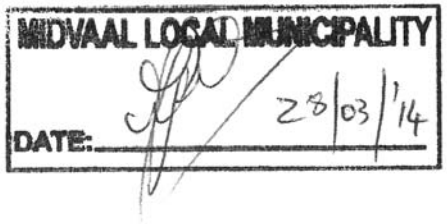
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FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
INCOME									
EPWP Grant	-	36 288	-	-	-	-	-	-	-
Sub-Total: National Grants (Opex)	**-**	**36 288**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Sub-Total: Government Grants and Subsidies	**-**	**36 288**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Fines	10 420 372	10 415 888	6 994 735,93	8 979 000	13 979 000	9 275 020,74	14 500 000,00	15 283 000,00	16 108 282,00
Sub-Total: Fines	**10 420 372**	**10 415 888**	**6 994 736**	**8 979 000**	**13 979 000**	**9 275 021**	**14 500 000,00**	**15 283 000,00**	**16 108 282,00**
Impounding of Vehicles	-	-	3 884,00	530	530	1 116,00	562,00	592,00	624,00
Sundry Income	39 362	50 005	43 867,37	50 000	50 000	20 494,00	53 000,00	55 862,00	58 879,00
Advertising / Signs / Billboards	-	-	36 626,50	7 102	167 102	195 019,39	100 000,00	105 400,00	111 092,00
Traffic Escorts	42 833	37 181	30 316,25	40 000	40 000	42 723,19	42 400,00	44 690,00	47 103,00
Permits	-	17 729	54 491,14	30 000	30 000	19 251,77	31 800,00	33 517,00	35 327,00
Sub-Total: Other Income	**82 195**	**104 915**	**169 185**	**127 632**	**287 632**	**278 604**	**227 762,00**	**240 061,00**	**253 025,00**
TOTAL OPERATING INCOME	**10 502 566**	**10 557 091**	**7 163 921**	**9 106 632**	**14 266 632**	**9 553 625**	**14 727 762,00**	**15 523 061,00**	**16 361 307,00**
NET OPERATING INCOME	**10 502 566**	**10 557 091**	**7 163 921**	**9 106 632**	**14 266 632**	**9 553 625**	**14 727 762,00**	**15 523 061,00**	**16 361 307,00**

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
EXPENDITURE									
Acting Allowance	-	-	-	20 000	19 318	-	20 000,00	21 280,00	22 642,00
Basic Salaries	5 872 619	6 904 767	7 009 804	7 581 321	7 286 681	4 973 386	8 094 356,00	8 612 395,00	9 163 588,00
Housing Subsidy	66 376	65 656	59 710	77 500	63 357	37 534	66 000,00	70 224,00	74 718,00
Industrial Council Levy	1 833	1 796	2 434	4 032	4 130	1 822	4 570,00	4 862,00	5 174,00
Leave Bonus	530 988	584 333	492 754	511 938	495 730	405 210	537 573,00	571 978,00	608 584,00
Overtime	774 969	506 673	580 507	900 000	869 310	415 118	930 162,00	989 692,00	1 053 033,00
Redemption of Leave	87 597	-	132 034	62 730	60 432	20 616	67 559,00	71 883,00	76 483,00
Standby Allowance	337 818	427 359	425 624	650 000	627 835	294 444	650 000,00	691 600,00	735 862,00
Telephone Allowance	83 950	99 460	100 460	107 160	115 706	76 512	119 360,00	126 999,00	135 127,00
Travelling Allowance	205 595	211 494	218 077	230 000	227 157	148 940	239 000,00	254 296,00	270 571,00
UIF	51 914	52 062	55 266	101 406	97 655	42 886	68 195,00	72 559,00	77 203,00
Skills Development Levy	-	-	86 768	-	107 566	65 787	100 059,00	106 463,00	113 276,00
Group Insurance	24 090	20 643	17 332	19 668	19 290	13 280	21 336,00	22 702,00	24 154,00
Medical Aid Fund	618 163	705 741	758 067	995 724	834 920	546 749	871 783,00	927 577,00	986 942,00
Pension Fund	1 206 558	1 266 815	1 317 486	1 518 555	1 490 858	987 951	1 646 882,00	1 752 282,00	1 864 429,00
Sub-Total: Remuneration of Employees and Councillors	**9 862 470**	**10 846 798**	**11 256 322**	**12 780 034**	**12 319 945**	**8 030 235**	**13 436 835,00**	**14 296 792,00**	**15 211 786,00**
Computer Requirements / Services	5 544	-	8 034	18 046	17 200	3 310	17 200,00	18 129,00	19 108,00
Congresses / Professional Meetings	15 515	18 034	17 685	26 800	25 543	24 907	25 543,00	26 922,00	28 376,00
Fuel Miscellaneous	419 352	470 396	537 290	495 800	145 900	145 899	-	-	-
Fleet - Fuel	-	-	-	-	333 087	291 767	449 667,00	473 949,00	499 542,00
Fleet - Oil	-	-	-	-	3 526	-	3 702,00	3 902,00	4 113,00
Fuel Miscellaneous	-	-	-	-	20 000	812	27 000,00	28 458,00	29 995,00
Lease Agreements	-	-	-	211 534	201 613	160 344	-	-	-
Entertainment	8 407	13 601	13 296	13 605	13 605	13 518	25 200,00	26 561,00	27 995,00
License Fees	9 000	7 992	8 712	14 475	13 796	4 380	14 486,00	15 268,00	16 093,00
Marketing / Promotions / Advertisements	21 832	20 162	10 467	10 229	9 749	-	-	-	-
Occupational Safety	2 000	6 660	5 633	-	-	-	-	-	-
Periodicals / Reference Books / Magazines	4 524	4 329	2 607	4 729	4 507	2 645	4 507,00	4 750,00	5 007,00
Public Driver Permit (PDP)	-	-	-	-	20 000	-	20 000,00	21 080,00	22 218,00
Non Capital Assets	14 259	71 198	61 724	57 915	55 199	14 944	55 199,00	58 180,00	61 321,00
Rental	52 289	48 050	75 051	98 812	94 178	42 765	108 540,00	114 401,00	120 579,00
Stationery / Printing / Binding	42 591	75 771	83 509	59 348	56 565	52 637	59 393,00	62 600,00	65 981,00
Stores and Materials	497 882	293 742	298 562	280 622	267 461	151 427	267 461,00	281 904,00	297 127,00
Telecommunications	143 691	139 619	99 656	102 290	97 493	50 532	97 493,00	102 758,00	108 307,00
Tracking	-	27 312	31 908	130 275	124 165	15 744	124 165,00	130 870,00	137 937,00
Uniforms / Protective Clothing	157 872	161 835	329 790	434 250	413 884	280 712	413 884,00	436 234,00	459 790,00
Skills Development Levy	75 464	79 416	-	111 364	-	-	-	-	-
Sub-Total: General Expenditure	**1 470 221**	**1 438 120**	**1 583 924**	**2 070 094**	**1 917 471**	**1 256 343**	**1 713 440,00**	**1 805 966,00**	**1 903 489,00**
Interest: External Borrowings	-	-	9 011	47 911	47 911	32 590	96 286,00	95 912,00	141 436,00
Sub-Total: Interest External Borrowings	**-**	**-**	**9 011**	**47 911**	**47 911**	**32 590**	**96 286,00**	**95 912,00**	**141 436,00**
Contracted Services: General	7 878 379	7 894 629	8 733 789	8 920 251	11 197 245	9 421 919	11 111 802,00	11 711 839,00	12 344 279,00

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
Sub-Total: Contracted Services	**7 878 379**	**7 894 629**	**8 733 789**	**8 920 251**	**11 197 245**	**9 421 919**	**11 111 802,00**	**11 711 839,00**	**12 344 279,00**
R & M: Buildings, Fences and Sites	34 921	22 716	19 318	50 000	50 000	5 550	50 880,00	56 986,00	63 824,00
R & M: Furniture	-	965	-	70 000	70 000	-	71 232,00	79 780,00	89 353,00
R & M: Fleet Miscellaneous	133 032	107 787	170 017	250 000	120 000	71 148	254 400,00	284 928,00	319 119,00
R & M: Fleet	-	-	-	-	130 000	29 628	-	-	-
Sub-Total: Repairs and Maintenance	**167 952**	**131 468**	**189 335**	**370 000**	**370 000**	**106 326**	**376 512,00**	**421 694,00**	**472 296,00**
Depreciation Fixed Assets	1 433 803	444 827	1 112 527	566 520	566 520	330 470	1 250 249,00	1 862 449,00	1 509 949,00
Sub-Total: Depreciation	**1 433 803**	**444 827**	**1 112 527**	**566 520**	**566 520**	**330 470**	**1 250 249,00**	**1 862 449,00**	**1 509 949,00**
TOTAL OPERATING EXPENDITURE	**20 812 826**	**20 755 842**	**22 884 907**	**24 754 810**	**26 419 092**	**19 177 882**	**27 985 124,00**	**30 194 652,00**	**31 583 235,00**
Departmental Charges: Electricity	-	-	-	228 800	228 800	-	242 528,00	255 625,00	269 428,00
Sub-Total: Departmental Charges	**-**	**-**	**-**	**228 800**	**228 800**	**-**	**242 528**	**255 625**	**269 428**
NET OPERATING EXPENDITURE	**20 812 826**	**20 755 842**	**22 884 907**	**24 983 610**	**26 647 892**	**19 177 882**	**28 227 652,00**	**30 450 277,00**	**31 852 663,00**

ACCOUNTING SURPLUS / (DEFICIT)	**-10 310 259**	**-10 198 751**	**-15 720 986**	**-15 876 978**	**-12 381 260**	**-9 624 257**	**-13 499 890,00**	**-14 927 216,00**	**-15 491 356,00**
Contribution to Capital Budget (CRR)									
Contribution to Capital Budget (Capital Replacement Reserve)	-	-	-	-	-	-	584 000,00	350 000,00	350 000,00
Contribution to Capital Budget (Grants and Contributions)	-	-	-	-	-	-	-	-	-
Redemption of External Loans	-	-	-	-	-	-	396 902,00	562 676,00	632 976,00
Plus:									
Offset Depreciation	-1 433 803	-444 827	-1 112 527	-566 520	-566 520	-	-1 250 249,00	-1 862 449,00	-1 509 949,00
BUDGET SURPLUS/ (DEFICIT)	**-8 876 456**	**-9 753 925**	**-14 608 458,55**	**-15 310 458,00**	**-11 814 740,00**	**-9 624 256,84**	**-13 230 543,00**	**-13 977 443,00**	**-14 964 383,00**



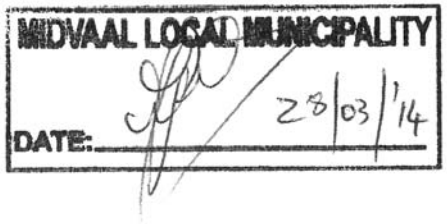
MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/14

FIRE

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
INCOME									
Municipal Infrastructure Grant	408 306	1 927 819	125 000,00	1 000 000	1 000 000	634 200,00	-	7 000 000,00	-
Sub-Total: National Grants (Capex)	**408 306**	**1 927 819**	**125 000**	**1 000 000**	**1 000 000**	**634 200**	**-**	**7 000 000,00**	**-**
Sub-Total: Government Grants and Subsidies	**408 306**	**1 927 819**	**125 000**	**1 000 000**	**1 000 000**	**634 200**	**-**	**7 000 000,00**	**-**
Sundry Income	-	-	2 063,09	26 500	26 500	-	-	-	-
Services Charges	461 408	407 987	384 425,86	100 000	200 000	265 897,37	450 000,00	474 300,00	499 912,00
Sub-Total: Other Income	**461 408**	**407 987**	**386 489**	**126 500**	**226 500**	**265 897**	**450 000,00**	**474 300,00**	**499 912,00**
TOTAL OPERATING INCOME	**869 714**	**2 335 806**	**511 489**	**1 126 500**	**1 226 500**	**900 097**	**450 000,00**	**7 474 300,00**	**499 912,00**
Departmental Charges: Refuse	-	4 419	-	-	-	-	-	-	-
Sub-Total: Departmental Charges	**-**	**4 419**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
NET OPERATING INCOME	**869 714**	**2 340 225**	**511 489**	**1 126 500**	**1 226 500**	**900 097**	**450 000,00**	**7 474 300,00**	**499 912,00**

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
EXPENDITURE									
Basic Salaries	5 355 255	6 990 245	7 827 684	8 483 195	8 430 067	5 000 444	9 003 516,00	9 579 741,00	10 192 844,00
Housing Subsidy	72 037	101 796	129 533	107 000	115 351	68 827	119 000,00	126 616,00	134 719,00
Industrial Council Levy	2 198	2 304	3 594	4 176	4 278	2 515	4 733,00	5 036,00	5 358,00
Leave Bonus	445 922	483 385	592 079	706 933	625 338	374 495	678 530,00	721 956,00	768 161,00
Overtime	721 959	599 001	787 318	1 300 000	755 670	245 882	808 567,00	860 315,00	915 375,00
Shift Overtime	-	-	-	-	500 000	275 737	300 000,00	319 200,00	339 629,00
Redemption of Leave	172 266	-200	63 708	43 533	42 463	39 138	46 975,00	49 981,00	53 180,00
Standby Allowance	249 142	314 602	326 960	500 000	482 950	219 529	500 000,00	532 000,00	566 048,00
Telephone Allowance	30 000	46 200	46 650	48 000	46 363	28 400	48 000,00	51 072,00	54 341,00
Travelling Allowance	132 766	140 464	148 149	165 000	174 373	103 401	181 000,00	192 584,00	204 909,00
UIF	58 987	65 079	79 714	113 537	111 725	55 559	91 482,00	97 337,00	103 566,00
Skills Development Levy	-	-	98 151	-	123 592	67 957	112 970,00	120 200,00	127 893,00
Group Insurance	46 743	52 931	52 476	53 561	51 665	34 254	56 138,00	59 731,00	63 554,00
Medical Aid Fund	848 457	975 329	1 137 152	1 416 550	1 186 645	801 080	1 234 949,00	1 313 986,00	1 398 081,00
Pension Fund	1 192 244	1 357 024	1 559 550	1 926 361	1 916 881	1 100 966	1 973 540,00	2 099 847,00	2 234 237,00
Sub-Total: Remuneration of Employees and Councillors	**9 327 977**	**11 128 161**	**12 852 716**	**14 867 846**	**14 567 361**	**8 418 184**	**15 159 400,00**	**16 129 602,00**	**17 161 895,00**
Computer Requirements / Services	8 526	3 158	1 139	4 825	4 599	-	4 599,00	4 847,00	5 109,00
Congresses / Professional Meetings	16 441	24 111	20 249	21 072	24 972	24 956	24 972,00	26 320,00	27 742,00
Fuel Miscellaneous	277 412	390 170	362 011	482 500	112 759	112 759	-	-	-
Fleet - Fuel	-	-	-	-	345 594	178 797	466 552,00	491 746,00	518 300,00
Fleet - Oil	-	-	-	-	3 622	-	3 803,00	4 008,00	4 225,00
Fuel Miscellaneous	-	-	-	-	19 062	6 782	25 734,00	27 124,00	28 588,00
Lease Agreements	-	3 885	-	1 101 916	1 050 236	671 741	-	-	-
License Fees	12 000	12 576	11 172	24 125	22 994	10 944	24 144,00	25 448,00	26 822,00
Marketing / Promotions / Advertisements	12 034	13 009	14 400	11 047	10 529	3 639	-	-	-
Occupational Safety	-	-	8 434	-	-	-	-	-	-
Public Driver Permit (PDP)	-	-	-	-	11 500	-	11 500,00	12 121,00	12 776,00
Non Capital Assets	27 971	93 137	33 678	65 534		21 202	64 837,00	68 338,00	72 028,00
Rental	68 135	59 997	63 421	76 739	73 140	47 916	84 293,00	88 845,00	93 642,00
Stationery / Printing / Binding	19 730	10 832	11 898	11 484	10 945	9 727	11 492,00	12 113,00	12 767,00
Stores and Materials	110 479	78 335	69 629	67 550	64 382	42 619	64 382,00	67 859,00	71 523,00
Telecommunications	41 266	49 447	59 371	61 988	59 081	28 097	59 081,00	62 271,00	65 634,00
Tracking	1 134	4 129	1 804	77 200	73 579	2 836	73 579,00	77 552,00	81 740,00
Uniforms / Protective Clothing	190 386	221 675	362 730	358 015	358 015	353 104	358 015,00	377 348,00	397 725,00
Skills Development Levy	69 768	78 824	-	127 702	-	-	-	-	-
Sub-Total: General Expenditure	**855 283**	**1 043 286**	**1 019 936**	**2 491 697**	**2 309 846**	**1 515 120**	**1 276 983,00**	**1 345 940,00**	**1 418 621,00**
Interest: External Borrowings	147 522	380 859	258 295	300 665	300 665	171 911	236 338,00	324 253,00	37 786,00
Sub-Total: Interest External Borrowings	**147 522**	**380 859**	**258 295**	**300 665**	**300 665**	**171 911**	**236 338,00**	**324 253,00**	**37 786,00**
Contracted Services: General	13 098	13 826	24 736	43 200	43 920	23 460	46 269,00	48 768,00	51 401,00
Contracted Services: CCTV Programme	365 673	342 290	394 455	439 908	447 302	221 298	471 160,00	496 603,00	523 419,00
Sub-Total: Contracted Services	**378 771**	**356 116**	**419 192**	**483 108**	**491 222**	**244 758**	**517 429,00**	**545 371,00**	**574 820,00**
R & M: Buildings, Fences and Sites	17 742	24 149	18 564	71 200	71 200	50 178	72 453,00	81 147,00	90 885,00
R & M: Furniture	66 796	7 706	200	30 000	30 000	21 483	30 528,00	34 191,00	38 294,00
R & M: Fleet Miscellaneous	306 031	202 246	225 711	400 000	160 000	157 667	407 040,00	455 885,00	510 591,00

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
R & M: Fleet	-	-	-	-	240 000	37 398	-	-	-
Sub-Total: Repairs and Maintenance	**390 569**	**234 100**	**244 475**	**501 200**	**501 200**	**266 726**	**510 021,00**	**571 223,00**	**639 770,00**
Depreciation Fixed Assets	-	899 363	948 695	1 451 452	1 451 452	846 680	1 443 394,00	1 961 794,00	1 611 794,00
Sub-Total: Depreciation	**-**	**899 363**	**948 695**	**1 451 452**	**1 451 452**	**846 680**	**1 443 394,00**	**1 961 794,00**	**1 611 794,00**
TOTAL OPERATING EXPENDITURE	**11 100 121**	**14 041 884**	**15 743 308**	**20 095 968**	**19 621 746**	**11 463 379**	**19 143 565,00**	**20 878 183,00**	**21 444 686,00**
Departmental Charges: Electricity	-	-	98 195	1 144	1 144	2 437	1 212,00	1 277,00	1 346,00
Departmental Charges: Refuse	5 245	4 419	6 536	7 719	7 719	4 394	8 181,00	8 623,00	9 088,00
Sub-Total: Departmental Charges	**5 245**	**4 419**	**104 732**	**8 863**	**8 863**	**6 831**	**9 393**	**9 900**	**10 434**
NET OPERATING EXPENDITURE	**11 105 366**	**14 046 304**	**15 848 040**	**20 104 831**	**19 630 609**	**11 470 211**	**19 152 958,00**	**20 888 083,00**	**21 455 120,00**
ACCOUNTING SURPLUS / (DEFICIT)	**-10 235 652**	**-11 706 078**	**-15 336 551**	**-18 978 331**	**-18 404 109**	**-10 570 113**	**-18 702 958,00**	**-13 413 783,00**	**-20 955 208,00**
Contribution to Capital Budget (CRR)									
Contribution to Capital Budget (Capital Replacement Reserve)	-	-	-	437 000	437 000	-	522 000,00	-	-
Contribution to Capital Budget (Grants and Contributions)	408 306	1 927 819	125 000	1 000 000	1 000 000	-	-	7 000 000,00	-
Redemption of External Loans	-	-	-	132 067	132 067	132 068	1 277 612,00	1 165 854,00	192 311,00
Plus:									
Offset Depreciation	-	-899 363	-948 695	-1 451 452	-1 451 452	-	-1 443 394,00	-1 961 794,00	-1 611 794,00
BUDGET SURPLUS/ (DEFICIT)	**-10 643 958**	**-12 734 534**	**-14 512 855,99**	**-19 095 946,00**	**-18 521 724,00**	**-10 702 181,07**	**-19 059 176,00**	**-19 617 843,00**	**-19 535 725,00**



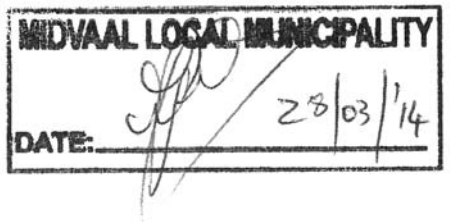
MAIN SEWER

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
INCOME									
Sewerage: Additional	10 351 108	11 191 076	12 152 890,12	13 127 369	13 127 369	8 948 238,23	15 155 395,00	16 216 272,00	17 351 411,00
Sewerage: Basic	10 173 172	11 043 717	12 165 863,06	13 149 635	13 149 635	8 982 927,51	15 180 252,00	16 242 869,00	17 379 870,00
Sub-Total: Sewerage	**20 524 280**	**22 234 793**	**24 318 753**	**26 277 004**	**26 277 004**	**17 931 166**	**30 335 647,00**	**32 459 141,00**	**34 731 281,00**
Sub-Total: User Charges for Services	**20 524 280**	**22 234 793**	**24 318 753**	**26 277 004**	**26 277 004**	**17 931 166**	**30 335 647,00**	**32 459 141,00**	**34 731 281,00**
Development Contributions	641 072	139 502	102 784,01	10 000 000	1 000 000	284 719,32	-	-	-
Sub-Total: Public Contributions	**641 072**	**139 502**	**102 784**	**10 000 000**	**1 000 000**	**284 719**	**-**	**-**	**-**
Public Donations (Capital Infrastructure)	36 371 590	-	22 010 921,00	-	-	-	-	-	-
Sub-Total: Public Donations	**36 371 590**	**-**	**22 010 921**	**-**	**-**	**-**	**-**	**-**	**-**
Municipal Infrastructure Grant	3 052 359	553 271	1 900 000,00	9 300 000	9 300 000	5 961 480,00	12 000 000,00	200 000,00	5 000 000,00
Sub-Total: National Grants (Capex)	**3 052 359**	**553 271**	**1 900 000**	**9 300 000**	**9 300 000**	**5 961 480**	**12 000 000,00**	**200 000,00**	**5 000 000,00**
Equitable Share Grant	7 190 703	8 020 298	9 224 000,00	10 228 526	10 228 526	7 672 458,57	11 215 919,00	12 645 906,00	14 241 872,00
Sub-Total: National Grants (Opex)	**7 190 703**	**8 020 298**	**9 224 000**	**10 228 526**	**10 228 526**	**7 672 459**	**11 215 919,00**	**12 645 906,00**	**14 241 872,00**
Sub-Total: Government Grants and Subsidies	**10 243 062**	**8 573 569**	**11 124 000**	**19 528 526**	**19 528 526**	**13 633 939**	**23 215 919,00**	**12 845 906,00**	**19 241 872,00**
Vacuum Tank Services	1 650 444	1 555 519	1 427 843,14	1 949 660	1 949 660	802 913,18	2 066 639,00	2 178 238,00	2 295 862,00
Sub-Total: Other Income	**1 650 444**	**1 555 519**	**1 427 843**	**1 949 660**	**1 949 660**	**802 913**	**2 066 639,00**	**2 178 238,00**	**2 295 862,00**
TOTAL OPERATING INCOME	**69 430 448**	**32 503 384**	**58 984 301**	**57 755 190**	**48 755 190**	**32 652 737**	**55 618 205,00**	**47 483 285,00**	**56 269 015,00**
Departmental Charges: Electricity	-	956 808	-	-	-	-	-	-	-
Departmental Charges: Sewerage	-	39 643	57 358,70	32 226	32 226	195 481,38	34 801,00	36 680,00	38 661,00
Departmental Charges: Water	-	35 275	-	-	-	-	-	-	-
Sub-Total: Departmental Charges	**-**	**1 031 725**	**57 359**	**32 226**	**32 226**	**195 481**	**34 801,00**	**36 680,00**	**38 661,00**
NET OPERATING INCOME	**69 430 448**	**33 535 109**	**59 041 660**	**57 787 416**	**48 787 416**	**32 848 218**	**55 653 006,00**	**47 519 965,00**	**56 307 676,00**

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
EXPENDITURE									
Basic Salaries	882 917	911 059	1 207 669	5 569 132	5 381 129	3 585 386	5 978 950,00	6 361 603,00	6 768 745,00
Housing Subsidy	7 539	6 768	5 254	23 000	28 216	10 826	29 000,00	30 856,00	32 831,00
Industrial Council Levy	435	426	803	3 528	3 614	2 337	4 080,00	4 341,00	4 619,00
Leave Bonus	72 756	67 862	73 251	447 662	406 024	333 005	462 685,00	492 297,00	523 804,00
Overtime	322 351	252 004	253 730	959 000	807 298	551 195	863 809,00	919 093,00	977 915,00
Shift Overtime	-	-	-	-	80 000	41 175	80 000,00	85 120,00	90 568,00
Redemption of Leave	15 022	-40 177	12 939	78 969	76 156	2 653	84 281,00	89 675,00	95 414,00
Standby Allowance	111 642	109 416	96 262	379 000	457 076	303 802	380 000,00	404 320,00	430 196,00
Telephone Allowance	11 000	6 209	9 158	58 260	114 533	42 624	58 260,00	61 989,00	65 956,00
Travelling Allowance	55 961	4 712	-	235 000	231 986	150 656	227 700,00	242 273,00	257 778,00
UIF	11 142	10 900	15 392	77 500	74 721	44 709	62 261,00	66 246,00	70 485,00
Skills Development Levy	-	-	16 206	-	79 620	51 259	73 515,00	78 220,00	83 226,00
Group Insurance	3 656	3 739	3 824	9 992	9 636	8 065	10 664,00	11 346,00	12 073,00
Medical Aid Fund	110 387	134 257	191 459	606 485	489 932	391 284	510 613,00	543 292,00	578 063,00
Pension Fund	193 925	174 529	234 465	1 225 209	1 183 848	738 543	1 292 066,00	1 374 758,00	1 462 743,00
Sub-Total: Remuneration of Employees and Councillors	**1 798 734**	**1 641 705**	**2 120 412**	**9 672 737**	**9 423 789**	**6 257 518**	**10 117 884,00**	**10 765 429,00**	**11 454 416,00**
Computer Requirements / Services	870	349	-	2 268	2 162	-	2 162,00	2 279,00	2 402,00
Congresses / Professional Meetings	-	-	-	-	2 100	2 100	2 100,00	2 213,00	2 333,00
Fuel Miscellaneous	227 524	304 923	385 668	386 000	181 110	102 362	-	-	-
Fleet - Fuel	-	-	-	-	240 273	168 937	324 369,00	341 885,00	360 347,00
Fleet - Oil	-	-	-	-	2 859	-	3 002,00	3 164,00	3 335,00
Fuel Miscellaneous	-	-	-	-	47 655	40 270	64 334,00	67 808,00	71 470,00
Lease Agreements	-	-	39 358	166 591	158 778	57 070	-	-	-
License Fees	5 000	263	17 580	17 983	17 140	2 028	17 997,00	18 969,00	19 993,00
Occupational Safety	1 490	25 651	27 258	16 069	15 315	1 145	16 081,00	16 949,00	17 865,00
Non Capital Assets	3 266	23 015	15 932	16 384	15 616	928	15 616,00	16 459,00	17 348,00
Rental	1 380	-	1 142	5 697	8 540	5 130	6 040,00	6 366,00	6 710,00
Stationery / Printing / Binding	4 226	813	2 816	4 150	3 955	534	4 153,00	4 377,00	4 614,00
Stores and Materials	29 393	41 449	39 112	41 978	40 009	23 390	40 009,00	42 169,00	44 447,00
Telecommunications	23 302	31 450	33 209	34 983	33 342	9 144	33 342,00	35 142,00	37 040,00
Tracking	8 612	8 587	9 273	9 718	9 264	147	3 304,00	9 870,00	10 403,00
Uniforms / Protective Clothing	22 688	32 339	34 807	41 206	39 [illegible]	[illegible]	38 [illegible]	41 394,00	43 629,00
Skills Development Levy	13 596	11 890	-	83 565	[illegible]	[illegible]	-	-	-

MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/14

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
Sub-Total: General Expenditure	**341 347**	**480 729**	**606 155**	**826 592**	**817 491**	**451 599**	**577 842,00**	**609 044,00**	**641 936,00**
Interest: External Borrowings	1 552 466	1 542 484	1 341 970	1 198 930	1 198 930	619 966	919 342,00	685 035,00	439 657,00
Sub-Total: Interest External Borrowings	**1 552 466**	**1 542 484**	**1 341 970**	**1 198 930**	**1 198 930**	**619 966**	**919 342,00**	**685 035,00**	**439 657,00**
Contracted Services: General	2 836 487	3 209 745	3 495 460	3 897 600	3 800 160	1 747 788	2 801 000,00	2 952 254,00	3 111 675,00
Contracted Services: Masterplanning			-	-	-	-	266 750,00	281 155,00	296 337,00
Sub-Total: Contracted Services	**2 836 487**	**3 209 745**	**3 495 460**	**3 897 600**	**3 800 160**	**1 747 788**	**3 067 750,00**	**3 233 409,00**	**3 408 012,00**
R & M: Buildings, Fences and Sites	32 543	4 819	45 561	53 000	53 000	1 500	53 760,00	60 211,00	67 437,00
R & M: Network / Infrastructure: Bulk Services	177 788	292 881	1 007 465	609 000	609 000	132 942	619 680,00	694 042,00	777 327,00
R & M: Furniture	-	928	950	1 060	1 060	-	1 152,00	1 290,00	1 445,00
R & M: Pump Stations	582 767	346 897	1 176 961	1 200 000	1 400 000	820 185	2 616 000,00	2 757 264,00	2 906 156,00
R & M: Fleet Miscellaneous	107 256	197 682	124 900	159 000	145 000	23 525	254 400,00	284 928,00	319 119,00
R & M: Fleet	-	-	-	-	105 000	30 187	5 088,00	5 699,00	6 382,00
Sub-Total: Repairs and Maintenance	**900 354**	**843 207**	**2 355 837**	**2 022 060**	**2 313 060**	**1 008 338**	**3 550 080,00**	**3 803 434,00**	**4 077 866,00**
Sanitation in Informal Settlements (not Council owned land)	-	-	-	-	2 000 000	-	9 500 000,00	12 000 000,00	14 000 000,00
Indigent Grants: Free Basic Sanitation	-	-	-			-	1 100 000,00	1 177 000,00	1 259 390,00
Sub-Total: Grants Paid	**-**	**-**	**-**	**-**	**2 000 000**	**-**	**10 600 000,00**	**13 177 000,00**	**15 259 390,00**
Depreciation Fixed Assets	6 897 347	5 834 857	7 711 785	5 302 353	5 302 353	3 093 039	9 396 708,00	10 077 041,00	10 062 041,00
Sub-Total: Depreciation	**6 897 347**	**5 834 857**	**7 711 785**	**5 302 353**	**5 302 353**	**3 093 039**	**9 396 708,00**	**10 077 041,00**	**10 062 041,00**
Provision for Bad Debt	750 000	820 000	2 000 000	-	-	-	1 234 181,00	1 322 155,00	1 494 984,00
Sub-Total: Contributions to Provisions	**750 000**	**820 000**	**2 000 000**	**-**	**-**	**-**	**1 234 181,00**	**1 322 155,00**	**1 494 984,00**
TOTAL OPERATING EXPENDITURE	**15 076 734**	**14 372 727**	**19 631 620**	**22 920 272**	**24 855 783**	**13 178 249**	**39 463 787,00**	**43 672 547,00**	**46 838 302,00**
Departmental Charges: Electricity	187 017	956 808	1 804 195	755 040	755 040	1 238 642	800 342,00	843 560,00	889 113,00
Departmental Charges: Sewerage	35 369	39 643	56 439	31 137	31 137	195 962	33 005,00	34 787,00	36 666,00
Departmental Charges: Water	52 559	35 275	123 214	71 500	71 500	2 307	75 790,00	79 883,00	84 196,00
Sub-Total: Departmental Charges	**274 945**	**1 031 725**	**1 983 847**	**857 677**	**857 677**	**1 436 911**	**909 137**	**958 230**	**1 009 975**
NET OPERATING EXPENDITURE	**15 351 679**	**15 404 453**	**21 615 467**	**23 777 949**	**25 713 460**	**14 615 159**	**40 372 924,00**	**44 630 777,00**	**47 848 277,00**
ACCOUNTING SURPLUS / (DEFICIT)	**54 078 769**	**18 130 656**	**37 426 193**	**34 009 467**	**23 073 956**	**18 233 059**	**15 280 082,00**	**2 889 188,00**	**8 459 399,00**
Contribution to Capital Budget (CRR)									
Contribution to Capital Budget (Capital Replacement Reserve)	-	-	-	3 740 000	3 640 000	-	815 000,00	-	-
Contribution to Capital Budget (Grants and Contributions)	40 065 020	692 773	24 013 705	9 300 000	300 000	-	12 000 000,00	200 000,00	5 000 000,00
Redemption of External Loans	-	-	-	2 379 343	2 379 343	1 156 506	2 481 018,00	2 581 956,00	2 827 334,00
Plus:									
Offset Depreciation	-6 897 347	-5 834 857	-7 711 785	-5 302 353	-5 302 353	-	-8 896 708,00	-7 077 041,00	-6 062 041,00
BUDGET SURPLUS/ (DEFICIT)	**20 911 095**	**23 272 741**	**21 124 272,55**	**23 892 477,00**	**22 056 966,00**	**17 076 553,33**	**8 880 772,00**	**7 184 273,00**	**6 694 106,00**



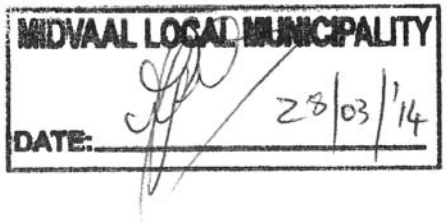
PURIFICATION

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
INCOME									
Municipal Infrastructure Grant	687 199	3 018 404	16 000 000,00	-	-	-	-	-	-
Regional Bulk Infrastructure Grant / DWAF GRANTS	-	6 253 397	4 258 160,83	50 000 000	-	-	-	-	-
Other National Capex Grants	2 324 424	-	-			-	-	-	-
Sub-Total: National Grants (Capex)	**3 011 623**	**9 271 802**	**20 258 161**	**50 000 000**	**-**	**-**	**-**	**-**	**-**
Sub-Total: Government Grants and Subsidies	**3 011 623**	**9 271 802**	**20 258 161**	**50 000 000**	**-**	**-**	**-**	**-**	**-**
TOTAL OPERATING INCOME	**3 011 623**	**9 271 802**	**20 258 161**	**50 000 000**	**-**	**-**	**-**	**-**	**-**
Departmental Charges: Refuse	-	3 204	-	-	-	-	-	-	-
Sub-Total: Departmental Charges	**-**	**3 204**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
NET OPERATING INCOME	**3 011 623**	**9 275 006**	**20 258 161**	**50 000 000**	**-**	**-**	**-**	**-**	**-**

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
EXPENDITURE									
Basic Salaries	2 013 859	3 056 722	3 895 250	-	-	-	-	-	-
Housing Subsidy	14 735	5 174	3 114	-	-	-	-	-	-
Industrial Council Levy	1 029	1 246	2 255	-	-	-	-	-	-
Leave Bonus	162 709	198 456	255 817	-	-	-	-	-	-
Overtime	519 968	342 090	547 189	-	-	-	-	-	-
Redemption of Leave	68 577	48 372	74 911	-	-	-	-	-	-
Standby Allowance	138 633	197 977	292 356	-	-	-	-	-	-
Telephone Allowance	34 271	48 000	45 381	-	-	-	-	-	-
Travelling Allowance	35 716	196 288	206 547	-	-	-	-	-	-
UIF	24 924	29 685	43 042	-	-	-	-	-	-
Skills Development Levy	-	-	49 603	-	-	-	-	-	-
Group Insurance	6 794	7 207	7 695	-	-	-	-	-	-
Medical Aid Fund	175 773	194 787	318 439	-	-	-	-	-	-
Pension Fund	434 785	598 567	731 737	-	-	-	-	-	-
Sub-Total: Remuneration of Employees and Councillors	**3 631 775**	**4 924 572**	**6 473 338**	**-**	**-**	**-**	**-**	**-**	**-**
Computer Requirements / Services	-	95	1 032	3 860	3 679	-	3 679,00	3 878,00	4 087,00
Fuel Miscellaneous	5 129	32 777	100 642	122 555	14 099	14 098	-	-	-
Fleet - Fuel	-	-	-	-	102 322	13 877	138 135,00	145 594,00	153 456,00
Fleet - Oil	-	-	-	-	1 048	-	1 100,00	1 159,00	1 222,00
License Fees	20 000	18 834	35 702	36 824	35 097	9 516	36 852,00	38 842,00	40 939,00
Occupational Safety	453	6 044	4 437	4 042	3 852	-	4 045,00	4 263,00	4 494,00
Social Services Programme	5 700 000	-	-	-	-	-	-	-	-
Non Capital Assets	2 290	8 305	7 302	16 228	15 467	9 098	15 467,00	16 302,00	17 183,00
Stationery / Printing / Binding	4 155	5 540	7 649	9 457	9 013	1 621	9 464,00	9 975,00	10 514,00
Stores and Materials	50 189	34 350	39 787	44 390	42 308	23 031	42 308,00	44 593,00	47 001,00
Tracking	1 518	1 754	3 388	3 682	3 509	2 370	3 509,00	3 698,00	3 898,00
Uniforms / Protective Clothing	5 988	12 796	14 441	20 458	19 499	19 046	19 499,00	20 552,00	21 662,00
Skills Development Levy	28 100	35 348	-	-	-	-	-	-	-
Sub-Total: General Expenditure	**5 817 822**	**155 842**	**175 058**	**261 496**	**249 893**	**92 658**	**274 058,00**	**288 856,00**	**304 456,00**
Interest: External Borrowings	-	-	39 321	-	-	-	38 000,00	-	-
Sub-Total: Interest External Borrowings	**-**	**-**	**39 321**	**-**	**-**	**-**	**38 000,00**	**-**	**-**
Contracted Services: General	2 218 890	2 491 581	2 485 306	2 592 000	2 035 200	1 219 757	1 310 200,00	1 380 950,00	1 455 522,00
Sub-Total: Contracted Services	**2 218 890**	**2 491 581**	**2 485 306**	**2 592 000**	**2 035 200**	**1 219 757**	**1 310 200,00**	**1 380 950,00**	**1 455 522,00**
R & M: Buildings, Fences and Sites	25 691	2 067	7 601	10 600	10 600	4 140	11 520,00	12 902,00	14 451,00
R & M: Network / Infrastructure: Bulk Services	866 099	218 786	202 245	350 000	550 000	325 009	1 383 480,00	1 458 187,00	1 536 930,00
R & M: Furniture	-	711	-	1 060	1 060	-	1 152,00	1 290,00	1 445,00
R & M: Fleet Miscellaneous	3 898	8 338	14 143	31 800	21 800	4 338	32 640,00	36 557,00	40 944,00
R & M: Fleet	-	-	-	-	10 000	3 249	-	-	-
Sub-Total: Repairs and Maintenance	**895 687**	**229 902**	**223 989**	**393 460**	**593 460**	**336 736**	**1 428 792,00**	**1 508 936,00**	**1 593 770,00**
Depreciation Fixed Assets	-	249 481	542 587	7 433 252	7 433 252	4 336 063	620 927,00	683 212,00	683 212,00
Sub-Total: Depreciation	**-**	**249 481**	**542 587**	**7 433 252**	**7 433 252**	**4 336 063**	**620 927,00**	**683 212,00**	**683 212,00**
TOTAL OPERATING EXPENDITURE	**12 564 174**	**8 051 378**	**9 939 599**	**10 680 208**	**10 311 825**	**5 985 214**	**3 671 977,00**	**3 861 954,00**	**4 036 960,00**
Departmental Charges: Refuse	3 024	3 204	3 840	[illegible]	[illegible]	[illegible]	4 266,00	4 496,00	4 739,00
Sub-Total: Departmental Charges	**3 024**	**3 204**	**3 840**	**[illegible]**	**[illegible]**	**[illegible]**	**4 266**	**4 496**	**4 739**
NET OPERATING EXPENDITURE	**12 567 198**	**8 054 582**	**9 943 439**	**10 684 233**	**10 315 830**	**5 988 158**	**3 676 243,00**	**3 866 450,00**	**4 041 699,00**

MKHAAL LOCAL MUNICIPALITY
DATE: 28/03/14

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
ACCOUNTING SURPLUS / (DEFICIT)	**-9 555 574**	**1 220 424**	**10 314 721**	**39 315 767**	**-10 315 830**	**-5 988 158**	**-3 676 243,00**	**-3 866 450,00**	**-4 041 699,00**
Contribution to Capital Budget (CRR)									
Contribution to Capital Budget (Capital Replacement Reserve)	-	-	-	500 000	600 000	-	120 000,00	-	-
Contribution to Capital Budget (Grants and Contributions)	3 011 623	9 271 802	20 258 161	50 000 000	-	-	-	-	-
Redemption of External Loans	-	-	-	-	-	-	76 000,00	-	-
Plus:									
Offset Depreciation	-	-249 481	-542 587	-7 433 252	-7 433 252	-	-620 927,00	-683 212,00	-683 212,00
BUDGET SURPLUS/ (DEFICIT)	**-12 567 198**	**-7 801 897**	**-9 400 852,23**	**-3 750 981,00**	**-3 482 578,00**	**-5 988 158,17**	**-3 251 316,00**	**-3 183 238,00**	**-3 358 487,00**



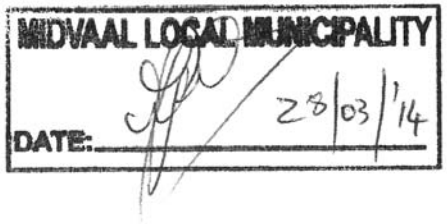
MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/14

ROADS

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
INCOME									
Development Contributions	1 117 683	92 671	-	-	-	1 244 810,96	-	-	-
Sub-Total: Public Contributions	**1 117 683**	**92 671**	**-**	**-**	**-**	**1 244 811**	**-**	**-**	**-**
Public Donations (Capital Infrastructure)	36 197 506	-	8 288 637,00	-	-	-	-	-	-
Sub-Total: Public Donations	**36 197 506**	**-**	**8 288 637**	**-**	**-**	**-**	**-**	**-**	**-**
Municipal Infrastructure Grant	5 829 494	11 160 078	3 836 000,00	7 058 000	7 058 000	4 530 000,00	7 516 000,00	760 000,00	4 788 000,00
Sub-Total: National Grants (Capex)	**5 829 494**	**11 160 078**	**3 836 000**	**7 058 000**	**7 058 000**	**4 530 000**	**7 516 000,00**	**760 000,00**	**4 788 000,00**
Sub-Total: Government Grants and Subsidies	**5 829 494**	**11 160 078**	**3 836 000**	**7 058 000**	**7 058 000**	**4 530 000**	**7 516 000,00**	**760 000,00**	**4 788 000,00**
TOTAL OPERATING INCOME	**43 144 683**	**11 252 748**	**12 124 637**	**7 058 000**	**7 058 000**	**5 774 811**	**7 516 000,00**	**760 000,00**	**4 788 000,00**
NET OPERATING INCOME	**43 144 683**	**11 252 748**	**12 124 637**	**7 058 000**	**7 058 000**	**5 774 811**	**7 516 000,00**	**760 000,00**	**4 788 000,00**

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
EXPENDITURE									
Basic Salaries	3 994 765	4 297 410	4 610 576	4 842 634	4 676 602	3 060 505	5 221 399,00	5 555 569,00	5 911 125,00
Housing Subsidy	31 987	17 697	14 358	29 500	28 494	9 152	29 500,00	31 388,00	33 397,00
Industrial Council Levy	2 173	2 038	2 969	3 240	3 319	2 121	3 754,00	3 994,00	4 250,00
Leave Bonus	341 731	309 158	337 450	387 328	357 663	224 193	419 253,00	446 085,00	474 635,00
Overtime	104 907	-	9 816	15 000	29 488	13 056	31 552,00	33 571,00	35 720,00
Redemption of Leave	44 563	-	61 407	108 237	104 082	28 948	112 860,00	120 083,00	127 768,00
Standby Allowance	10 764	-	-	-	-	-	-	-	-
Telephone Allowance	69 000	63 023	59 858	52 800	72 600	48 368	74 400,00	79 162,00	84 228,00
Travelling Allowance	148 471	127 263	126 001	200 000	193 180	113 256	171 900,00	182 902,00	194 607,00
UIF	42 348	39 458	45 052	54 408	52 450	32 461	54 693,00	58 193,00	61 918,00
Skills Development Levy	-	-	161 565	-	54 090	34 548	64 429,00	68 552,00	72 940,00
Group Insurance	8 879	8 130	1 802	1 933	1 864	1 287	2 063,00	2 195,00	2 336,00
Medical Aid Fund	195 337	190 670	168 585	197 108	164 135	118 650	213 548,00	227 215,00	241 757,00
Pension Fund	894 227	873 154	909 306	1 051 500	1 015 820	651 250	1 152 339,00	1 226 089,00	1 304 558,00
Sub-Total: Remuneration of Employees and Councillors	**5 889 152**	**5 928 000**	**6 508 745**	**6 943 688**	**6 753 787**	**4 337 795**	**7 551 690,00**	**8 034 998,00**	**8 549 239,00**
Computer Requirements / Services	1 461	-	1 490	1 882	1 794	-	1 794,00	1 891,00	1 993,00
Congresses / Professional Meetings	-	-	-	-	2 250	2 250	2 250,00	2 372,00	2 500,00
Fuel Miscellaneous	407 254	427 391	560 165	482 500	141 211	141 210	-	-	-
Fleet - Fuel	-	-	-	-	310 893	139 355	419 706,00	442 370,00	466 258,00
Fleet - Oil	-	-	-	-	3 526	-	3 702,00	3 902,00	4 113,00
Fuel Miscellaneous	-	-	-	-	47 031	7 511	63 492,00	66 921,00	70 534,00
Lease Agreements	-	-	36	176 562	168 281	47 314	-	-	-
License Fees	27 467	32 580	24 261	26 595	25 348	8 412	26 615,00	28 052,00	29 567,00
Occupational Safety	3 011	14 999	14 253	10 712	10 210	3 358	10 721,00	11 300,00	11 910,00
Periodicals / Reference Books / Magazines	-	-	-	290	276	-	276,00	291,00	307,00
Postage	-	-	42	222	212	-	223,00	235,00	248,00
Non Capital Assets	6 365	2 815	28 011	24 575	23 422	928	23 422,00	24 687,00	26 020,00
Rental	-	-	-	2 123	5 133	-	2 250,00	2 372,00	2 500,00
Stationery / Printing / Binding	3 470	2 860	3 120	4 150	3 955	1 312	4 153,00	4 377,00	4 614,00
Stores and Materials	25 358	39 391	33 405	41 013	39 089	29 321	39 089,00	41 200,00	43 425,00
Telecommunications	33 703	39 661	40 824	42 460	40 469	7 477	40 469,00	42 654,00	44 958,00
Tracking	21 621	22 345	21 047	25 090	23 913	7 444	23 913,00	25 204,00	26 565,00
Uniforms / Protective Clothing	33 143	39 575	54 760	66 585	63 462	59 190	63 462,00	66 889,00	70 501,00
Skills Development Levy	45 976	42 585	-	56 379	-	-	-	-	-
Sub-Total: General Expenditure	**608 828**	**664 202**	**781 413**	**961 138**	**910 475**	**455 082**	**725 537,00**	**764 717,00**	**806 013,00**
Interest: External Borrowings	3 242 938	2 905 512	2 731 286	6 703 044	6 703 044	1 750 300	3 799 381,00	3 493 797,00	3 205 632,00
Sub-Total: Interest External Borrowings	**3 242 938**	**2 905 512**	**2 731 286**	**6 703 044**	**6 703 044**	**1 750 300**	**3 799 381,00**	**3 493 797,00**	**3 205 632,00**
Contracted Services: General	1 811 291	2 846 689	2 474 332	3 052 800	2 623 680	1 040 301	1 760 000,00	1 855 040,00	1 955 212,16
Contracted Services: Masterplanning			-	-	-	-	485 000,00	511 190,00	538 794,00
Sub-Total: Contracted Services	**1 811 291**	**2 846 689**	**2 474 332**	**3 052 800**	**2 623 680**	**1 040 301**	**2 245 000,00**	**2 366 230,00**	**2 494 006,16**
R & M: Buildings, Fences and Sites	1 442	300	406	10 000	10 000	2 213	10 176,00	11 397,00	12 765,00
R & M: Network / Infrastructure: Gravel Roads	4 672 018	4 810 327	4 762 123	5 150 000	5 150 000	3 210 036	5 241 600,00	5 870 592,00	6 575 063,00
R & M: Network / Infrastructure: Tarred Roads	5 101 924	11 515 738	9 497 262	10 070 000	10 070 000	4 374 535	11 208 800,00	11 814 075,00	12 452 035,00
R & M: Network / Infrastructure: Tarred Roads Resealing	4 005 410	3 781 410	2 844 650	3 075 000	3 075 000	1 304 298	3 129 600,00	3 505 152,00	3 925 770,00
R & M: Furniture	-	806	-	1 060	1 060	940	1 152,00	1 290,00	1 445,00

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
R & M: Fleet Miscellaneous	198 870	242 937	203 447	265 000	85 000	81 246	-	-	-
R & M: Fleet	-	-	-	-	180 000	51 479	269 760,00	302 131,00	338 387,00
Sub-Total: Repairs and Maintenance	**13 979 664**	**20 351 518**	**17 307 889**	**18 571 060**	**18 571 060**	**9 024 747**	**19 861 088,00**	**21 504 637,00**	**23 305 465,00**
Depreciation Fixed Assets	28 289 458	23 565 712	31 347 264	32 821 311	32 821 311	19 145 765	33 733 456,00	35 148 521,00	34 935 671,00
Sub-Total: Depreciation	**28 289 458**	**23 565 712**	**31 347 264**	**32 821 311**	**32 821 311**	**19 145 765**	**33 733 456,00**	**35 148 521,00**	**34 935 671,00**
TOTAL OPERATING EXPENDITURE	**53 821 331**	**56 261 633**	**61 150 929**	**69 053 041**	**68 383 357**	**35 753 989**	**67 916 152,00**	**71 312 900,00**	**73 296 026,16**
NET OPERATING EXPENDITURE	**53 821 331**	**56 261 633**	**61 150 929**	**69 053 041**	**68 383 357**	**35 753 989**	**67 916 152,00**	**71 312 900,00**	**73 296 026,16**
ACCOUNTING SURPLUS / (DEFICIT)	**-10 676 648**	**-45 008 884**	**-49 026 292**	**-61 995 041**	**-61 325 357**	**-29 979 178**	**-60 400 152,00**	**-70 552 900,00**	**-68 508 026,16**
Contribution to Capital Budget (CRR)									
Contribution to Capital Budget (Capital Replacement Reserve)	-	-	-	200 000	200 000	-	220 000,00	-	-
Contribution to Capital Budget (Grants and Contributions)	43 144 683	11 252 748	12 124 637	7 058 000	7 058 000	-	7 516 000,00	760 000,00	4 788 000,00
Redemption of External Loans	-	-	-	2 364 569	2 364 569	1 604 563	2 662 917,00	2 788 507,00	3 076 671,00
Plus:									
Offset Depreciation	-28 289 458	-23 565 712	-31 347 264	-32 821 311	-32 821 311	-	-33 733 456,00	-35 148 521,00	-34 935 671,00
BUDGET SURPLUS/ (DEFICIT)	**-25 531 873**	**-32 695 921**	**-29 803 664,80**	**-38 796 299,00**	**-38 126 615,00**	**-31 583 740,83**	**-37 065 613,00**	**-38 952 886,00**	**-41 437 026,16**



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DATE: 28/03/'14

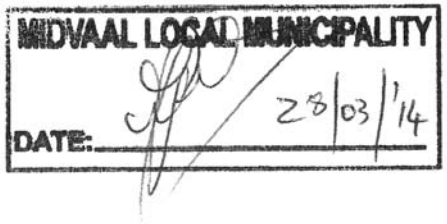
MECHANICAL WORKSHOP

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
INCOME									
Departmental Charges: Refuse	-	12 284	-	-	-	-	-	-	-
Sub-Total: Departmental Charges	**-**	**12 284**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
NET OPERATING INCOME	**-**	**12 284**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
EXPENDITURE									
Acting Allowance	-	-	-	2 000	1 933	-	2 000,00	2 128,00	2 264,00
Basic Salaries	554 891	876 324	937 428	1 815 602	1 730 324	658 362	1 739 821,00	1 851 170,00	1 969 644,00
Housing Subsidy	8 723	16 767	12 000	23 500	17 199	7 648	18 000,00	19 152,00	20 378,00
Industrial Council Levy	230	262	417	936	959	330	1 061,00	1 129,00	1 201,00
Leave Bonus	36 573	79 095	58 625	151 300	73 051	14 452	95 777,00	101 907,00	108 429,00
Overtime	34 289	12 938	7 991	45 000	43 465	5 379	46 508,00	49 485,00	52 652,00
Redemption of Leave	38 072	16 581	-	-	-	-	-	-	-
Standby Allowance	54 408	59 743	38 027	55 000	53 124	26 795	45 000,00	47 880,00	50 944,00
Telephone Allowance	19 000	25 110	22 800	25 200	24 141	16 200	25 200,00	26 813,00	28 529,00
Travelling Allowance	-	70 888	74 029	70 000	82 613	53 844	81 000,00	86 184,00	91 700,00
UIF	5 975	7 529	7 808	18 435	16 791	6 237	16 679,00	17 746,00	18 882,00
Skills Development Levy	-	-	10 849	-	23 908	8 125	23 377,00	24 873,00	26 465,00
Group Insurance	7 077	6 064	3 993	4 301	4 148	2 863	4 590,00	4 884,00	5 196,00
Medical Aid Fund	78 121	86 389	92 143	383 465	364 816	86 621	377 892,00	402 077,00	427 810,00
Pension Fund	120 395	173 631	181 818	399 432	380 671	138 875	353 295,00	375 906,00	399 964,00
Sub-Total: Remuneration of Employees and Councillors	**957 754**	**1 431 322**	**1 447 929**	**2 994 171**	**2 817 143**	**1 025 731**	**2 830 200,00**	**3 011 334,00**	**3 204 058,00**
Computer Requirements / Services	895	725	670	4 825	4 599	630	4 599,00	4 847,00	5 109,00
Congresses / Professional Meetings	-	-	-	-	600	600	600,00	632,00	667,00
Fuel Miscellaneous	45 861	53 162	64 968	61 567	19 701	19 701	-	-	-
Fleet - Fuel	-	-	-	-	42 900	31 199	57 915,00	61 042,00	64 339,00
Fleet - Oil	-	-	-	-	434	-	456,00	481,00	507,00
License Fees	9 000	888	1 296	9 718	2 262	1 164	2 375,00	2 503,00	2 638,00
Occupational Safety	785	973	2 539	1 714	1 634	-	1 716,00	1 809,00	1 906,00
Non Capital Assets	7 843	23 000	29 509	28 903	27 547	19 429	27 547,00	29 035,00	30 602,00
Rental	780	-	-	-	-	-	-	-	-
Stationery / Printing / Binding	4 568	3 084	5 631	8 685	8 278	3 232	8 692,00	9 161,00	9 656,00
Stores and Materials	67 785	77 063	98 600	82 025	78 178	41 677	78 178,00	82 400,00	86 849,00
Telecommunications	5 293	4 830	9 683	10 229	9 749	9 524	9 749,00	10 275,00	10 830,00
Tracking	2 651	4 651	6 869	14 832	14 136	2 310	14 136,00	14 899,00	15 704,00
Uniforms / Protective Clothing	4 734	5 349	9 944	12 275	14 699	8 054	14 699,00	15 493,00	16 329,00
Skills Development Levy	7 110	10 264	-	25 711	-	-	-	-	-
Sub-Total: General Expenditure	**157 305**	**183 989**	**229 707**	**260 484**	**224 717**	**137 521**	**220 662,00**	**232 577,00**	**245 136,00**
Contracted Services: General	-	78 757	-	-	-	-	-	-	-
Sub-Total: Contracted Services	**-**	**78 757**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
R & M: Buildings, Fences and Sites	1 442	3 993	4 812	5 300	5 300	372	5 393,00	6 040,00	6 765,00
R & M: Furniture	-	715	695	1 060	1 060	920	1 078,00	1 207,00	1 352,00
R & M: Fleet Miscellaneous	11 711	8 953	36 680	45 580	5 580	4 057	5 677,00	6 358,00	7 121,00
R & M: Fleet	-	-	-	-	40 000	9 890	40 704,00	45 588,00	51 059,00
Sub-Total: Repairs and Maintenance	**13 153**	**13 661**	**42 187**	**51 940**	**51 940**	**15 239**	**52 852,00**	**59 193,00**	**66 297,00**
Depreciation Fixed Assets	-	370 188	191 571	207 209	207 209	120 872	368 479,00	380 813,00	380 813,00
Sub-Total: Depreciation	**-**	**370 188**	**191 571**	**207 209**	**207 209**	**120 872**	**368 479,00**	**380 813,00**	**380 813,00**
TOTAL OPERATING EXPENDITURE	**1 128 212**	**2 077 918**	**1 911 394**	**3 513 804**	**3 301 009**	**1 299 363**	**3 472 193,00**	**3 683 917,00**	**3 896 304,00**
Departmental Charges: Refuse	18 961	12 284	14 140	16 905	16 905	10 099	17 919,00	18 887,00	19 907,00
Sub-Total: Departmental Charges	**18 961**	**12 284**	**14 140**	**16 905**	**16 905**	**10 099**	**17 919**	**18 887**	**19 907**
NET OPERATING EXPENDITURE	**1 147 173**	**2 090 201**	**1 925 533**	**3 530 709**	**3 317 914**	**1 309 462**	**3 490 112,00**	**3 702 804,00**	**3 916 211,00**

ACCOUNTING SURPLUS / (DEFICIT)	**-1 147 173**	**-2 077 918**	**-1 925 533**	**-3 530 709**	**-3 317 914**	**-1 309 462**	**-3 490 112,00**	**-3 702 804,00**	**-3 916 211,00**
Contribution to Capital Budget (CRR)									
Contribution to Capital Budget (Capital Replacement Reserve)	-	-	-	367 500	310 052	-	47 000,00	-	-
Contribution to Capital Budget (Grants and Contributions)	-	-	-	-	-	-	-	-	-
Redemption of External Loans	-	-	-	-	-	-	-	-	-

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
Plus:									
Offset Depreciation	-	-370 188	-191 571	-207 209	-207 209	-	-368 479,00	-380 813,00	-380 813,00
BUDGET SURPLUS/ (DEFICIT)	**-1 147 173**	**-1 707 729**	**-1 733 962,81**	**-3 691 000,00**	**-3 420 757,00**	**-1 309 461,90**	**-3 168 633,00**	**-3 321 991,00**	**-3 535 398,00**



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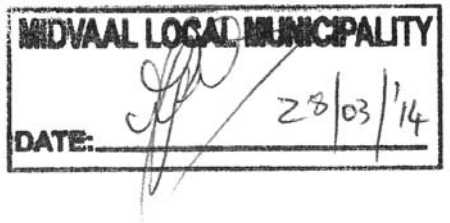
WATER

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
INCOME									
Water: Basic	7 560 775	8 220 529	9 046 514,40	9 830 783	9 830 783	6 585 542,93	10 977 247,00	11 745 654,00	12 567 850,00
Water Sales	78 968 748	91 759 234	108 371 768,20	115 290 060	118 290 060	80 883 398,94	148 365 046,00	158 750 599,00	169 863 141,00
Water Sales: Pre-paid	136 589	173 349	168 005,58	207 760	207 760	101 062,13	231 989,00	248 228,00	265 604,00
Sub-Total: Water Sales	**86 666 112**	**100 153 112**	**117 586 288**	**125 328 603**	**128 328 603**	**87 570 004**	**145 574 282,00**	**155 344 481,00**	**165 756 595,00**
Sub-Total: User Charges for Services	**86 666 112**	**100 153 112**	**117 586 288**	**125 328 603**	**128 328 603**	**87 570 004**	**145 574 282,00**	**155 344 481,00**	**165 756 595,00**
Development Contributions	494 499	-	187 029,82	-	-	190 236,40	1 000 000,00	-	-
Sub-Total: Public Contributions	**494 499**	**-**	**187 030**	**-**	**-**	**190 236**	**1 000 000,00**	**358 360,00**	**377 711,00**
Public Donations (Capital Infrastructure)	35 758 467	-	8 392 524,00	-	-	-	1 200 000,00	1 300 000,00	1 500 000,00
Sub-Total: Public Donations	**35 758 467**	**-**	**8 392 524**	**-**	**-**	**-**	**1 200 000,00**	**1 300 000,00**	**1 500 000,00**
Municipal Infrastructure Grant	-	-	800 000,00	500 000	500 000	326 160,00	3 100 000,00	12 000 000,00	18 000 000,00
Other National Capex Grants	173 781	2 600 000	-			-	-	-	-
Sub-Total: National Grants (Capex)	**173 781**	**2 600 000**	**800 000**	**500 000**	**500 000**	**326 160**	**3 100 000,00**	**12 000 000,00**	**18 000 000,00**
Equitable Share Grant	9 143 832	10 197 473	11 218 000,00	12 443 795	12 443 795	9 333 967,76	13 646 873,00	15 386 797,00	17 328 676,00
Sub-Total: National Grants (Opex)	**9 143 832**	**10 197 473**	**11 218 000**	**12 443 795**	**12 443 795**	**9 333 968**	**13 646 873,00**	**15 386 797,00**	**17 328 676,00**
Sedibeng Capital Grants	-	3 006 607	-			-	-	-	-
Sub-Total: District Municipality Grants	**-**	**3 006 607**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Sub-Total: Government Grants and Subsidies	**9 317 613**	**15 804 080**	**12 018 000**	**12 943 795**	**12 943 795**	**9 660 128**	**16 746 873,00**	**27 386 797,00**	**35 328 676,00**
New Connection Fees (Opex)	336 011	314 471	513 673,94	349 800	349 800	371 554,49	340 000,00	358 360,00	377 711,00
Lost Tokens	526	439	570,18	583	583	315,78	617,00	650,00	685,00
Reconnection Fees	1 260 804	714 665	-	636 000	636 000	-	-	-	-
Final Reading Fees	79 110	75 240	87 080,00	87 980	87 980	68 315,00	93 258,00	98 294,00	103 602,00
Meter Test Fees	2 815	3 855	4 261,59	5 100	5 100	3 750,00	5 406,00	5 698,00	6 006,00
Sub-Total: Other Income	**1 679 266**	**1 108 669**	**605 586**	**1 079 463**	**1 079 463**	**443 935**	**439 281,00**	**463 002,00**	**488 004,00**
TOTAL OPERATING INCOME	**133 915 957**	**117 065 861**	**136 641 453**	**139 351 861**	**142 351 861**	**97 864 303**	**164 960 436,00**	**184 852 640,00**	**203 450 986,00**
Departmental Charges: Electricity	-	3 419	-	-	-	-	-	-	-
Departmental Charges: Water	-	108 943	1 073 152,15	709 940	709 940	642 487,06	812 704,00	856 590,00	902 846,00
Sub-Total: Departmental Charges	**-**	**112 362**	**1 073 152**	**709 940**	**709 940**	**642 487**	**812 704,00**	**856 590,00**	**902 846,00**
NET OPERATING INCOME	**133 915 957**	**117 178 223**	**137 714 605**	**140 061 801**	**143 061 801**	**98 506 790**	**165 773 140,00**	**185 709 230,00**	**204 353 832,00**

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
EXPENDITURE									
Basic Salaries	3 787 043	4 497 778	4 856 793	4 797 333	4 735 591	3 099 309	5 343 988,00	6 186 003,00	7 049 907,00
Housing Subsidy	46 572	45 632	48 908	56 000	50 090	20 418	52 000,00	55 328,00	58 869,00
Industrial Council Levy	2 067	2 075	3 011	3 024	3 250	2 032	3 590,00	3 820,00	4 064,00
Leave Bonus	288 088	329 911	366 828	383 553	341 358	288 719	394 717,00	419 979,00	446 858,00
Overtime	1 029 823	1 105 292	1 368 973	1 100 000	1 212 490	922 325	1 297 364,00	1 380 395,00	1 468 741,00
Redemption of Leave	27 166	-	42 714	71 742	69 969	21 500	78 887,00	83 936,00	89 308,00
Standby Allowance	567 665	616 544	713 384	560 000	760 904	517 093	560 000,00	595 840,00	633 974,00
Telephone Allowance	49 587	60 455	60 271	43 200	51 327	37 206	52 800,00	56 179,00	59 775,00
Travelling Allowance	66 265	134 677	163 723	150 000	189 885	124 069	186 700,00	198 649,00	211 362,00
UIF	49 110	52 233	60 355	69 671	77 538	41 793	56 333,00	59 938,00	63 774,00
Skills Development Levy	-	-	69 432	-	80 515	49 482	64 175,00	68 282,00	72 652,00
Group Insurance	12 159	3 555	2 963	1 737	1 675	2 116	1 854,00	1 973,00	2 099,00
Medical Aid Fund	169 306	163 077	241 358	313 017	297 702	188 438	308 376,00	328 112,00	349 111,00
Pension Fund	837 234	912 692	980 657	1 040 780	1 028 245	665 051	1 179 085,00	1 254 546,00	1 334 837,00
Sub-Total: Remuneration of Employees and Councillors	**6 932 085**	**7 923 919**	**8 979 370**	**8 590 057**	**8 900 539**	**5 979 551**	**9 579 869,00**	**10 692 980,00**	**11 845 331,00**
Computer Requirements / Services	3 798	1 856	2 522	9 457	9 013	-	9 013,00	9 500,00	10 013,00
Congresses / Professional Meetings	-	-	-	-	1 350	1 350	1 350,00	1 423,00	1 500,00
Connections	70 406	85 007	146 247	153 435	312 804	166 378	312 804,00	329 695,00	347 499,00
Fuel Miscellaneous	468 014	621 767	712 346	607 950	468 947	186 961	-	-	-
Fleet - Fuel	-	-	-	-	418 720	373 797	565 272,00	595 797,00	627 970,00
Fleet - Oil	-	-	-	-	4 289	-	4 503,00	4 746,00	5 002,00
Fuel Miscellaneous	-	-	-	-	10 000	14 232	13 500,00	14 229,00	14 997,00
License Fees	26 316	25 205	37 777	48 250	45 987	21 676	48 286,00	50 893,00	53 642,00
Occupational Safety	1 015	14 535	12 972	8 590	8 187	554	8 596,00	9 060,00	9 549,00
Non Capital Assets	4 905	11 131	21 230	24 730	23 570	928	23 570,00	24 843,00	26 184,00
Rental	820	-	-	1 023	4 085	-	1 084,00	1 143,00	1 204,00

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
Stationery / Printing / Binding	5 864	5 772	8 669	8 492	8 094	3 633	8 499,00	8 958,00	9 442,00
Stores and Materials	24 538	32 521	39 116	39 565	63 144	32 406	63 144,00	66 554,00	70 148,00
Services to Informal Settlements	1 703 669	1 982 271	347 357	716 030	682 448	297 054	716 570,00	755 265,00	796 049,00
Telecommunications	1 189	7 146	7 786	7 979	7 605	-	7 605,00	8 016,00	8 449,00
Tracking	29 379	28 734	31 870	33 244	31 685	10 923	31 685,00	33 396,00	35 199,00
Uniforms / Protective Clothing	40 589	52 673	66 293	72 375	68 981	49 799	68 981,00	72 706,00	76 632,00
Skills Development Levy	54 520	60 525	-	72 802	-	-	-	-	-
Sub-Total: General Expenditure	**2 435 021**	**2 929 145**	**1 434 186**	**1 803 922**	**2 168 909**	**1 159 690**	**1 884 462,00**	**1 986 224,00**	**2 093 479,00**
Purchase of Water	54 483 898	60 926 959	70 181 839	77 000 000	80 000 000	50 363 656	88 209 600,00	95 266 368,00	102 887 677,00
Sub-Total: Bulk Purchases	**54 483 898**	**60 926 959**	**70 181 839**	**77 000 000**	**80 000 000**	**50 363 656**	**88 209 600,00**	**95 266 368,00**	**102 887 677,00**
Interest: External Borrowings	4 506 664	4 351 611	4 141 252	5 727 856	5 727 856	2 068 715	7 105 026,00	6 609 611,00	6 031 889,00
Sub-Total: Interest External Borrowings	**4 506 664**	**4 351 611**	**4 141 252**	**5 727 856**	**5 727 856**	**2 068 715**	**7 105 026,00**	**6 609 611,00**	**6 031 889,00**
Contracted Services: General	2 442 139	2 580 800	3 244 360	3 360 000	3 516 000	1 535 249	2 946 100,00	3 105 189,00	3 272 869,00
Contracted Services: Masterplanning			-	-	-	-	242 500,00	255 595,00	269 397,00
Sub-Total: Contracted Services	**2 442 139**	**2 580 800**	**3 244 360**	**3 360 000**	**3 516 000**	**1 535 249**	**3 188 600,00**	**3 360 784,00**	**3 542 266,00**
R & M: Buildings, Fences and Sites	5 020	7 753	6 609	10 400	10 400	-	10 560,00	11 827,00	13 246,00
R & M: Network / Infrastructure: Bulk Services	781 686	1 289 212	803 377	1 170 000	1 170 000	833 153	1 949 892,00	2 055 186,00	2 166 166,00
R & M: Furniture	-	-	-	1 060	1 060	-	-	-	-
R & M: Pump Stations	130 775	107 021	235 041	318 000	318 000	65 247	1 152,00	1 290,00	1 445,00
R & M: Fleet Miscellaneous	341 638	212 272	295 307	318 000	68 000	60 873	-	-	-
R & M: Fleet	-	-	-	-	250 000	87 950	326 400,00	365 568,00	409 436,00
Sub-Total: Repairs and Maintenance	**1 259 119**	**1 616 258**	**1 340 334**	**1 817 460**	**1 817 460**	**1 047 223**	**2 288 004,00**	**2 433 871,00**	**2 590 293,00**
Depreciation Fixed Assets	5 156 990	5 515 383	5 489 169	7 629 949	7 629 949	4 450 804	6 592 271,00	9 029 938,00	7 554 938,00
Sub-Total: Depreciation	**5 156 990**	**5 515 383**	**5 489 169**	**7 629 949**	**7 629 949**	**4 450 804**	**6 592 271,00**	**9 029 938,00**	**7 554 938,00**
Provision for Bad Debt	2 800 000	3 000 000	4 000 000	-	-	-	5 924 499,00	6 634 172,00	7 691 028,00
Sub-Total: Contributions to Provisions	**2 800 000**	**3 000 000**	**4 000 000**	**-**	**-**	**-**	**5 924 499,00**	**6 634 172,00**	**7 691 028,00**
TOTAL OPERATING EXPENDITURE	**80 015 916**	**88 844 074**	**98 810 509**	**105 929 244**	**109 760 713**	**66 604 888**	**124 772 331,00**	**136 013 948,00**	**144 236 901,00**
Departmental Charges: Electricity	2 420	3 419	3 295	67 760	67 760	43 002	71 825,00	75 704,00	79 792,00
Departmental Charges: Water	23 489	108 943	209 193	176 000	176 000	70 132	186 560,00	196 634,00	207 252,00
Sub-Total: Departmental Charges	**25 908**	**112 362**	**212 488**	**243 760**	**243 760**	**113 133**	**258 385**	**272 338**	**287 044**
NET OPERATING EXPENDITURE	**80 041 824**	**88 956 437**	**99 022 997**	**106 173 004**	**110 004 473**	**66 718 021**	**125 030 716,00**	**136 286 286,00**	**144 523 945,00**

ACCOUNTING SURPLUS / (DEFICIT)	**53 874 133**	**28 221 787**	**38 691 608**	**33 888 797**	**33 057 328**	**31 788 770**	**40 742 424,00**	**49 422 944,00**	**59 829 887,00**
Contribution to Capital Budget (CRR)									
Contribution to Capital Budget (Capital Replacement Reserve)	-	-	-	1 800 000	1 637 000	-	1 730 000,00	1 200 000,00	1 200 000,00
Contribution to Capital Budget (Grants and Contributions)	36 426 747	5 606 607	9 379 554	500 000	500 000	-	5 300 000,00	13 300 000,00	19 500 000,00
Redemption of External Loans	-	-	-	2 260 670	2 260 670	1 531 270	5 177 386,00	5 672 800,00	6 250 522,00
Plus:									
Offset Depreciation	-5 156 990	-5 515 383	-5 489 169	-7 629 949	-7 629 949	-	-6 092 271,00	-9 029 938,00	-7 554 938,00
BUDGET SURPLUS/ (DEFICIT)	**22 604 376**	**28 130 562**	**34 801 222,66**	**36 958 076,00**	**36 289 607,00**	**30 257 499,74**	**34 627 309,00**	**38 280 082,00**	**40 434 303,00**



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28/03/14
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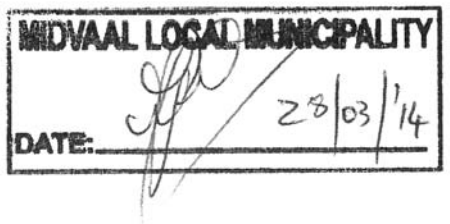
ELECTRICITY

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
INCOME									
Electricity: Basic	10 142 705	12 211 096	14 707 864,00	16 820 464	16 820 464	10 552 162,49	18 357 854,00	19 642 903,00	21 017 907,00
Electricity Sales	105 807 013	127 191 004	146 223 053,41	168 032 951	168 032 951	108 061 086,08	184 891 162,00	197 833 543,00	211 681 891,00
Electricity Sales: Pre-paid	38 876 774	46 101 202	53 018 761,87	57 294 621	57 294 621	36 702 570,63	62 365 447,00	66 731 028,00	71 402 200,00
Sub-Total: Electricity Sales	**154 826 492**	**185 503 302**	**213 949 679**	**242 148 036**	**242 148 036**	**155 315 819**	**265 614 463,00**	**284 207 474,00**	**304 101 998,00**
Sub-Total: User Charges for Services	**154 826 492**	**185 503 302**	**213 949 679**	**242 148 036**	**242 148 036**	**155 315 819**	**265 614 463,00**	**284 207 474,00**	**304 101 998,00**
Development Contributions	575 193	-	1 390 090,31	-	-	1 167 083,84	1 350 000,00	8 500 000,00	8 500 000,00
New Connection Fees (Capex)	-	-	-	-	-	-	3 200 000,00	2 000 000,00	2 000 000,00
Sub-Total: Public Contributions	**575 193**	**-**	**1 390 090**	**-**	**-**	**1 167 084**	**4 550 000,00**	**10 500 000,00**	**10 500 000,00**
Public Donations (Capital Infrastructure)	23 547 000	3 837 377	17 022 312,00	-	-	-	-	-	-
Sub-Total: Public Donations	**23 547 000**	**3 837 377**	**17 022 312**	**-**	**-**	**-**	**-**	**-**	**-**
Finance Management Grant	-	-	-	7 000 000	-	8 999 700,00	-	-	-
Municipal Infrastructure Grant	2 657 145	-	1 400 000,00	-	-	-	-	-	-
Efficient Energy Demand Management Side Grant	-	-	-	-	9 000 000	-	-	5 000 000,00	10 000 000,00
Sub-Total: National Grants (Capex)	**2 657 145**	**-**	**1 400 000**	**7 000 000**	**9 000 000**	**8 999 700**	**-**	**5 000 000,00**	**10 000 000,00**
Equitable Share Grant	9 428 992	11 401 103	12 385 000,00	13 734 667	13 734 667	10 302 231,56	15 032 796,00	16 980 925,00	19 123 989,00
Sub-Total: National Grants (Opex)	**9 428 992**	**11 401 103**	**12 385 000**	**13 734 667**	**13 734 667**	**10 302 232**	**15 032 796,00**	**16 980 925,00**	**19 123 989,00**
Sub-Total: Government Grants and Subsidies	**12 086 137**	**11 401 103**	**13 785 000**	**20 734 667**	**22 734 667**	**19 301 932**	**15 032 796,00**	**21 980 925,00**	**29 123 989,00**
New Connection Fees (Opex)	8 948 152	2 374 728	5 121 941,56	3 074 000	3 074 000	1 364 059,06	-	-	-
Sundry Income	36	-	-	-	-	-	-	-	-
Reconnection Fees	2 012 224	2 703 234	4 884 522,13	3 180 000	4 180 000	3 371 092,72	5 000 000,00	5 270 000,00	5 554 580,00
Final Reading Fees	19 716	13 708	15 715,92	15 900	15 900	14 138,56	17 000,00	17 918,00	18 886,00
Meter Test Fees	320	-	710,53	636	636	750,00	1 000,00	1 054,00	1 111,00
Sub-Total: Other Income	**10 980 447**	**5 091 670**	**10 022 890**	**6 270 536**	**7 270 536**	**4 750 040**	**5 018 000,00**	**5 288 972,00**	**5 574 577,00**
TOTAL OPERATING INCOME	**202 015 269**	**205 833 452**	**256 169 972**	**269 153 239**	**272 153 239**	**180 458 768**	**290 215 259,00**	**321 977 371,00**	**349 300 564,00**
Departmental Charges: Electricity	-	38 536	3 971 296,25	1 517 094	1 517 094	2 842 935,06	1 696 868,00	1 788 499,00	1 885 078,00
Departmental Charges: Street Lighting	-	1 270 714	-	1 700 556	1 700 556	-	1 802 589,00	1 899 929,00	2 002 525,00
Sub-Total: Departmental Charges	**-**	**1 309 250**	**3 971 296**	**3 217 650**	**3 217 650**	**2 842 935**	**3 499 457,00**	**3 688 428,00**	**3 887 603,00**
NET OPERATING INCOME	**202 015 269**	**207 142 702**	**260 141 268**	**272 370 889**	**275 370 889**	**183 301 703**	**293 714 716,00**	**325 665 799,00**	**353 188 167,00**

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
EXPENDITURE									
Acting Allowance	-	-	-	486 277	504 586	-	750 000,00	798 000,00	849 072,00
Basic Salaries	5 332 641	6 640 670	7 093 749	7 277 347	7 083 800	4 786 199	8 350 603,00	9 385 042,00	10 453 684,00
Housing Subsidy	59 835	55 972	59 220	77 500	74 857	36 496	77 500,00	82 460,00	87 737,00
Industrial Council Levy	2 239	2 308	3 326	3 744	3 834	2 432	4 570,00	4 862,00	5 174,00
Leave Bonus	337 813	422 347	452 427	549 055	480 574	411 939	602 963,00	641 553,00	682 612,00
Overtime	858 003	543 299	463 181	800 000	694 720	364 190	743 350,00	790 924,00	841 544,00
Redemption of Leave	53 334	8 108	23 998	34 661	33 433	9 662	35 622,00	37 902,00	40 328,00
Standby Allowance	162 566	205 034	235 175	170 000	242 203	163 877	360 000,00	383 040,00	407 555,00
Telephone Allowance	93 273	96 500	98 048	94 800	93 967	78 849	97 200,00	103 421,00	110 040,00
Travelling Allowance	327 473	381 972	396 046	430 000	485 337	289 958	433 600,00	461 350,00	490 877,00
UIF	50 196	52 234	59 429	99 196	98 770	43 963	78 074,00	83 071,00	88 387,00
Skills Development Levy	-	-	82 882	-	105 129	62 634	107 788,00	114 686,00	122 026,00
Group Insurance	17 382	16 060	10 688	16 090	15 504	7 055	29 627,00	31 523,00	33 541,00
Medical Aid Fund	443 222	524 053	599 264	714 627	635 769	445 771	660 138,00	702 387,00	747 340,00
Pension Fund	1 005 713	1 120 211	1 193 391	1 366 899	1 330 863	884 289	1 539 828,00	1 638 377,00	1 743 233,00
Sub-Total: Remuneration of Employees and Councillors	**8 743 689**	**10 068 767**	**10 770 823**	**12 120 196**	**11 883 346**	**7 587 312**	**13 870 863,00**	**15 258 598,00**	**16 703 150,00**
Computer Requirements / Services	19 488	26 585	4 917	28 950	27 592	4 435	27 592,00	29 082,00	30 652,00
Congresses / Professional Meetings	-	-	-	-	1 800	1 800	1 800,00	1 897,00	2 000,00
Connections	2 041 289	2 201 520	1 792 825	3 170 990	3 022 271	678 680	3 022 271,00	3 185 474,00	3 357 489,00
Disconnections and Reconnections	-	-	-	1 023	975	-	975,00	1 028,00	1 083,00
Fuel Miscellaneous	261 411	375 836	416 805	394 878	131 977	131 977	-	-	-
Fleet - Fuel	-	-	-	-	238 677	224 335	322 214,00	339 614,00	357 953,00
Fleet - Oil	-	-	-	-	2 859	-	3 002,00	3 164,00	3 335,00
Fuel Miscellaneous	-	-	-	-	38 124	2 993	51 467,00	54 246,00	57 176,00
Lease Agreements	-	-	-	747 083	652 045	393 166	-	-	-
License Fees	153 542	152 599	140 404	195 169	186 016	8 988	195 317,00	205 864,00	216 981,00

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
Marketing / Promotions / Advertisements	-	5 696	19 086	30 687	29 248	12 310	-	-	-
Occupational Safety	1 698	19 075	30 149	20 356	19 401	10 581	20 371,00	21 471,00	22 630,00
Non Capital Assets	9 301	53 821	4 255	57 342	54 653	8 180	54 653,00	57 604,00	60 715,00
Rental	45 628	15 596	11 348	26 595	35 348	5 148	27 500,00	28 985,00	30 550,00
Stationery / Printing / Binding	8 154	10 403	16 258	17 370	16 555	5 116	17 383,00	18 322,00	19 311,00
Stores and Materials	31 564	37 563	40 905	43 425	101 388	44 637	101 388,00	106 863,00	112 634,00
Telecommunications	13 183	19 239	31 992	32 733	31 198	25 076	31 198,00	32 883,00	34 658,00
Tracking	28 028	33 349	33 048	46 031	43 872	11 369	43 872,00	46 241,00	48 738,00
Uniforms / Protective Clothing	105 763	108 253	130 349	143 206	136 490	72 487	136 490,00	143 860,00	151 629,00
Skills Development Levy	68 363	73 984	-	106 343	-	-	-	-	-
Sub-Total: General Expenditure	**2 787 411**	**3 133 520**	**2 672 342**	**5 062 181**	**4 770 489**	**1 641 278**	**4 057 493,00**	**4 276 598,00**	**4 507 534,00**
Purchase of Electricity	102 651 692	138 950 910	155 477 814	172 800 000	172 800 000	119 248 952	190 462 234,00	205 699 213,00	222 155 150,00
Sub-Total: Bulk Purchases	**102 651 692**	**138 950 910**	**155 477 814**	**172 800 000**	**172 800 000**	**119 248 952**	**190 462 234,00**	**205 699 213,00**	**222 155 150,00**
Interest: External Borrowings	2 535 670	2 526 250	2 326 464	4 499 374	4 499 374	2 585 490	2 933 828,00	2 494 431,00	2 203 149,00
Sub-Total: Interest External Borrowings	**2 535 670**	**2 526 250**	**2 326 464**	**4 499 374**	**4 499 374**	**2 585 490**	**2 933 828,00**	**2 494 431,00**	**2 203 149,00**
Contracted Services: General	2 872 489	3 038 785	3 284 728	3 784 454	3 784 454	2 282 701	3 774 000,00	3 977 796,00	4 192 596,00
Contracted Services: Masterplanning			-	-	-	-	485 000,00	511 190,00	538 794,00
Sub-Total: Contracted Services	**2 872 489**	**3 038 785**	**3 284 728**	**3 784 454**	**3 784 454**	**2 282 701**	**4 259 000,00**	**4 488 986,00**	**4 731 390,00**
R & M: Buildings, Fences and Sites	29 881	43 857	97 458	115 000	115 000	43 101	192 000,00	215 040,00	240 845,00
R & M: Network / Infrastructure: Bulk Services	6 553 508	2 072 550	3 271 896	3 025 650	3 525 650	1 460 575	3 372 000,00	3 554 088,00	3 746 008,00
R & M: Network / Infrastructure: Replace Rotten Poles	-	-	-	-	-	-	240 000,00	268 800,00	301 056,00
R & M: Furniture	-	803	-	5 830	5 830	2 765	4 800,00	5 376,00	6 021,00
R & M: Fleet Miscellaneous	153 983	246 583	286 152	318 000	68 000	35 374	-	-	-
R & M: Fleet	-	-	-	-	250 000	66 258	305 280,00	341 914,00	382 943,00
Sub-Total: Repairs and Maintenance	**6 737 373**	**2 363 793**	**3 655 507**	**3 464 480**	**3 964 480**	**1 608 073**	**4 114 080,00**	**4 385 218,00**	**4 676 873,00**
Eskom FBE Payments	12 273	15 154	11 653	32 712	32 712	12 338	34 674,00	36 546,00	38 520,00
Indigent Grants: Free Basic Electricity	-	-	-			-	1 840 000,00	1 968 800,00	2 106 616,00
Sub-Total: Grants Paid	**12 273**	**15 154**	**11 653**	**32 712**	**32 712**	**12 338**	**1 874 674,00**	**2 005 346,00**	**2 145 136,00**
Depreciation Fixed Assets	47 293 273	32 358 809	52 018 745	52 076 935	52 076 935	30 378 212	55 718 553,00	60 053 187,00	57 915 687,00
Sub-Total: Depreciation	**47 293 273**	**32 358 809**	**52 018 745**	**52 076 935**	**52 076 935**	**30 378 212**	**55 718 553,00**	**60 053 187,00**	**57 915 687,00**
Provision for Bad Debt	6 000 000	2 200 000	5 000 000	-	-	-	11 111 519,00	12 684 238,00	15 674 570,00
Sub-Total: Contributions to Provisions	**6 000 000**	**2 200 000**	**5 000 000**	**-**	**-**	**-**	**11 111 519,00**	**12 684 238,00**	**15 674 570,00**
TOTAL OPERATING EXPENDITURE	**179 633 870**	**194 655 988**	**235 218 076**	**253 840 332**	**253 811 790**	**165 344 356**	**288 402 244,00**	**311 345 815,00**	**330 712 639,00**
Departmental Charges: Electricity	1 591 005	38 536	69 581	114 400	114 400	31 486	121 264,00	127 812,00	134 714,00
Departmental Charges: Street Lighting	-	1 270 714	1 677 408	1 700 556	1 700 556	1 215 024	1 802 589,00	1 899 929,00	2 002 525,00
Sub-Total: Departmental Charges	**1 591 005**	**1 309 250**	**1 746 988**	**1 814 956**	**1 814 956**	**1 246 510**	**1 923 853**	**2 027 741**	**2 137 239**
NET OPERATING EXPENDITURE	**181 224 875**	**195 965 238**	**236 965 065**	**255 655 288**	**255 626 746**	**166 590 866**	**290 326 097,00**	**313 373 556,00**	**332 849 878,00**

ACCOUNTING SURPLUS / (DEFICIT)	**20 790 394**	**11 177 464**	**23 176 203**	**16 715 601**	**19 744 143**	**16 710 837**	**3 388 619,00**	**12 292 243,00**	**20 338 289,00**
Contribution to Capital Budget (CRR)									
Contribution to Capital Budget (Capital Replacement Reserve)	-	-	-	3 334 000	5 755 632	-	4 810 000,00	-	-
Contribution to Capital Budget (Grants and Contributions)	26 779 338	3 837 377	19 812 402	17 000 000	19 000 000	-	4 550 000,00	15 500 000,00	20 500 000,00
Redemption of External Loans	-	-	-	1 659 501	1 659 501	997 814	3 332 300,00	3 236 939,00	2 954 462,00
Plus:									
Offset Depreciation	-47 293 273	-32 358 809	-52 018 745	-52 076 935	-52 076 935	-	-55 218 553,00	-59 053 187,00	-57 915 687,00
BUDGET SURPLUS/ (DEFICIT)	**41 304 329**	**39 698 896**	**55 382 546,25**	**46 799 035,00**	**45 405 945,00**	**15 713 023,15**	**45 914 872,00**	**52 608 491,00**	**54 799 514,00**



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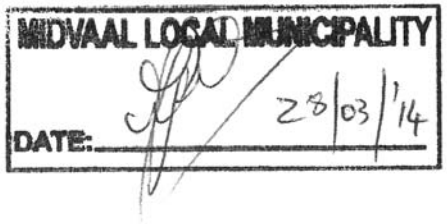
ENGINEERING ADMIN

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
INCOME									
Public Donations (Capital Infrastructure)	1 657 142	-	-	-	-	-	-	-	-
Sub-Total: Public Donations	**1 657 142**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Municipal Infrastructure Grant	-	-	-	-	-	-	20 000,00	-	-
Sub-Total: National Grants (Capex)	**-**	**-**	**-**	**-**	**-**	**-**	**20 000,00**	**-**	**-**
Municipal Infrastructure Grant	704 019	868 311	1 000 000,00	1 100 000	1 100 000	706 680,00	1 150 000,00	1 200 000,00	1 300 000,00
EPWP Grant	-	236 628	-	254 778	254 778	254 778,00	270 000,00	-	-
Sub-Total: National Grants (Opex)	**704 019**	**1 104 939**	**1 000 000**	**1 354 778**	**1 354 778**	**961 458**	**1 420 000,00**	**1 200 000,00**	**1 300 000,00**
Sub-Total: Government Grants and Subsidies	**704 019**	**1 104 939**	**1 000 000**	**1 354 778**	**1 354 778**	**961 458**	**1 440 000,00**	**1 200 000,00**	**1 300 000,00**
Gain on Disposal of Assets	713 844	105 669	-	-	-	-	-	-	-
Sub-Total: Gains on Disposal of Assets	**713 844**	**105 669**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL OPERATING INCOME	**3 075 005**	**1 210 609**	**1 000 000**	**1 354 778**	**1 354 778**	**961 458**	**1 440 000,00**	**1 200 000,00**	**1 300 000,00**
NET OPERATING INCOME	**3 075 005**	**1 210 609**	**1 000 000**	**1 354 778**	**1 354 778**	**961 458**	**1 440 000,00**	**1 200 000,00**	**1 300 000,00**

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
EXPENDITURE									
Acting Allowance	-	-	-	5 000	4 829	-	10 000,00	10 640,00	11 321,00
Basic Salaries	2 521 586	3 183 580	3 443 334	4 358 074	4 237 444	2 121 359	5 023 862,00	5 345 389,00	5 687 494,00
Housing Subsidy	25 158	24 664	26 274	30 000	28 977	23 799	30 000,00	31 920,00	33 963,00
Industrial Council Levy	586	701	1 071	1 152	1 176	718	1 632,00	1 736,00	1 848,00
Leave Bonus	215 825	285 294	285 499	330 589	283 447	133 313	203 317,00	216 329,00	230 174,00
Overtime	2 567	-	-	-	-	-	-	-	-
Redemption of Leave	-	13 619	20 395	36 287	34 995	13 080	38 729,00	41 208,00	43 845,00
Standby Allowance	588	-	-	-	-	-	-	-	-
Telephone Allowance	43 194	47 000	48 000	60 000	66 354	38 832	68 400,00	72 778,00	77 435,00
Travelling Allowance	418 164	419 359	433 907	532 000	523 859	292 687	543 700,00	578 497,00	615 521,00
UIF	16 295	18 944	22 346	53 519	51 799	15 002	30 924,00	32 903,00	35 009,00
Skills Development Levy	-	-	46 452	-	54 393	31 613	62 019,00	65 988,00	70 211,00
Group Insurance	3 128	12 468	13 912	11 656	11 242	9 712	12 441,00	13 237,00	14 084,00
Medical Aid Fund	182 952	214 991	212 255	240 098	259 443	151 682	267 630,00	284 758,00	302 983,00
Pension Fund	502 294	587 568	675 276	705 289	733 472	440 381	843 856,00	897 863,00	955 326,00
Sub-Total: Remuneration of Employees and Councillors	**3 932 336**	**4 808 188**	**5 228 721**	**6 363 664**	**6 291 430**	**3 272 178**	**7 136 510,00**	**7 593 246,00**	**8 079 214,00**
Computer Requirements / Services	17 621	37 199	12 561	28 950	27 592	2 520	27 592,00	29 082,00	30 652,00
Congresses / Professional Meetings	27 452	37 681	37 451	60 351	57 521	45 432	57 521,00	60 627,00	63 901,00
Fleet - E-toll	-	-	-	-	-	-	40 000,00	42 160,00	44 437,00
Entertainment	38 944	41 979	41 702	50 122	67 771	40 206	39 500,00	41 633,00	43 881,00
License Fees	435	501	-	-	-	-	-	-	-
Marketing / Promotions / Advertisements	21 949	26 062	9 888	10 229	9 749	-	-	-	-
Membership Fees	1 325	3 447	3 785	3 989	3 802	1 772	3 992,00	4 208,00	4 435,00
Occupational Safety	-	1 567	3 026	1 928	1 838	132	1 930,00	2 034,00	2 144,00
Periodicals / Reference Books / Magazines	975	-	769	869	2 328	752	2 328,00	2 454,00	2 586,00
Postage	470	136	615	1 003	956	-	1 004,00	1 058,00	1 115,00
Public Driver Permit (PDP)	-	-	-	-	38 248	-	38 248,00	40 313,00	42 490,00
Non Capital Assets	19 809	30 151	8 109	78 221	73 052	20 129	73 052,00	76 997,00	81 155,00
Rental	-	-	28 478	65 717	62 635	32 547	70 000,00	73 780,00	77 764,00
Stationery / Printing / Binding	17 861	21 719	30 738	28 275	31 949	20 474	33 546,00	35 357,00	37 267,00
Stores and Materials	9 208	6 452	4 524	14 186	13 521	2 300	13 521,00	14 251,00	15 021,00
Telecommunications	77 703	83 635	77 428	90 015	85 793	34 433	85 793,00	90 426,00	95 309,00
Uniforms / Protective Clothing	1 775	3 148	1 279	6 137	15 849	8 853	15 849,00	16 705,00	17 607,00
Skills Development Levy	35 855	41 832	-	55 920	-	-	-	-	-
Sub-Total: General Expenditure	**271 382**	**335 508**	**260 354**	**495 912**	**492 604**	**209 549**	**503 876,00**	**531 085,00**	**559 764,00**
Interest: External Borrowings	586 092	566 488	555 335	544 352	544 352	520 191	1 726 509,00	1 622 324,00	1 499 833,00
Sub-Total: Interest External Borrowings	**586 092**	**566 488**	**555 335**	**544 352**	**544 352**	**520 191**	**1 726 509,00**	**1 622 324,00**	**1 499 833,00**
Contracted Services: General	268 462	532 428	65 370	91 584	89 294	51 159	92 150,00	97 126,00	102 371,00
Contracted Services: MIG	696 760	868 311	925 731	1 100 000	1 072 500	687 727	1 111 000,00	1 170 994,00	1 234 228,00
Contracted Services: EPWP	-	-	384 261	254 778	248 409	222 980	270 000,00	284 580,00	299 947,00
Sub-Total: Contracted Services	**965 223**	**1 400 740**	**1 375 362**	**1 446 362**	**1 410 203**	**961 866**	**1 473 150,00**	**1 552 700,00**	**1 636 546,00**
R & M: Buildings, Fences and Sites	10 602	17 066	99 400	95 400	60 400	5 985	62 400,00	69 888,00	78 275,00

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
R & M: Furniture	3 057	2 099	3 350	16 218	16 218	5 071	17 280,00	19 354,00	21 676,00
Sub-Total: Repairs and Maintenance	**13 659**	**19 165**	**102 750**	**111 618**	**76 618**	**11 056**	**79 680,00**	**89 242,00**	**99 951,00**
Depreciation Fixed Assets	-	308 355	375 057	1 349 196	1 349 196	787 031	920 593,00	4 372 593,00	1 222 593,00
Sub-Total: Depreciation	**-**	**308 355**	**375 057**	**1 349 196**	**1 349 196**	**787 031**	**920 593,00**	**4 372 593,00**	**1 222 593,00**
TOTAL OPERATING EXPENDITURE	**5 768 691**	**7 438 444**	**7 897 578**	**10 311 104**	**10 164 403**	**5 761 871**	**11 840 318,00**	**15 761 190,00**	**13 097 901,00**
NET OPERATING EXPENDITURE	**5 768 691**	**7 438 444**	**7 897 578**	**10 311 104**	**10 164 403**	**5 761 871**	**11 840 318,00**	**15 761 190,00**	**13 097 901,00**

ACCOUNTING SURPLUS / (DEFICIT)	**-2 693 686**	**-6 227 836**	**-6 897 578**	**-8 956 326**	**-8 809 625**	**-4 800 413**	**-10 400 318,00**	**-14 561 190,00**	**-11 797 901,00**
Contribution to Capital Budget (CRR)									
Contribution to Capital Budget (Capital Replacement Reserve)	-	-	-	-	-	-	100 000,00	1 000 000,00	1 000 000,00
Contribution to Capital Budget (Grants and Contributions)	1 657 142	-	-	-	-	-	20 000,00	-	-
Redemption of External Loans	-	-	-	100 642	100 642	46 659	1 148 271,00	1 252 456,00	1 374 947,00
Plus:									
Offset Depreciation	-	-308 355	-375 057	-1 349 196	-1 349 196	-	-920 593,00	-4 372 593,00	-1 222 593,00
BUDGET SURPLUS/ (DEFICIT)	**-4 350 828**	**-5 919 480**	**-6 522 521,18**	**-7 707 772,00**	**-7 561 071,00**	**-4 847 071,48**	**-10 747 996,00**	**-12 441 053,00**	**-12 950 255,00**



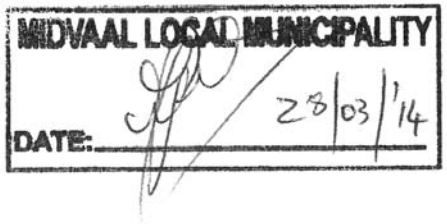
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DATE: 28/03/14

SAVANNA CITY

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
INCOME									
Property Rates							10 128 853,00	19 294 178,00	52 641 781,00
Sub-Total: Property Rates							**4 490 964,00**	**8 848 480,00**	**25 679 233,00**
Electricity: Basic							2 302 603,00	4 219 682,00	11 274 445,00
Electricity Sales: Pre-paid							9 870 915,00	23 366 512,00	45 013 257,00
Sub-Total: Electricity Sales							**12 173 518,00**	**27 586 194,00**	**56 287 702,00**
Refuse Removal: General							464 270,00	850 808,00	2 273 248,00
Sub-Total: Refuse Removal							**464 270,00**	**850 808,00**	**2 273 248,00**
Sewerage: Additional							271 406,00	497 371,00	1 328 911,00
Sewerage: Basic							247 472,00	453 510,00	1 211 719,00
Sub-Total: Sewerage							**518 878,00**	**950 881,00**	**2 540 630,00**
Water: Basic							368 941,00	676 110,00	1 806 479,00
Water Sales							2 973 028,00	6 408 273,00	17 420 578,00
Sub-Total: Water Sales							**2 538 183,00**	**5 722 586,00**	**16 130 821,00**
Sub-Total: User Charges for Services							**15 694 849,00**	**35 110 469,00**	**77 232 401,00**
Other Cash Donations and Contributions							669 941,00	9 889 476,00	-
Sub-Total: Public Donations							**669 941,00**	**9 889 476,00**	**-**
Sundry Income							343 386,00	-	-
Sub-Total: Other Income							**343 386,00**	**-**	**-**
TOTAL OPERATING INCOME							**21 199 140**	**53 848 425**	**102 911 634**
NET OPERATING INCOME							**21 199 140,00**	**53 848 425,00**	**102 911 634,00**

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
EXPENDITURE									
Basic Salaries							2 084 339,00	5 815 341,00	14 173 312,00
Housing Subsidy							12 000,00	-	-
Industrial Council Levy							327,00	-	-
Leave Bonus							76 095,00	-	-
Telephone Allowance							10 800,00	-	-
Travelling Allowance							245 000,00	-	-
UIF							8 952,00	-	-
Skills Development Levy							23 805,00	-	-
Group Insurance							4 595,00	-	-
Pension Fund							184 388,00	-	-
Sub-Total: Remuneration of Employees and Councillors							**2 650 301,00**	**5 815 341,00**	**14 173 312,00**
Bank Charges							45 665,00	112 210,00	468 749,00
Congresses / Professional Meetings							16 000,00	16 864,00	17 775,00
Fleet - Fuel							351 784,00	556 742,00	979 946,00
Entertainment							2 000,00	2 108,00	2 222,00
Occupational Safety							8 795,00	13 919,00	24 499,00
Stationery / Printing / Binding							7 329,00	11 599,00	20 416,00
Telecommunications							22 866,00	36 188,00	63 696,00
Uniforms / Protective Clothing							500,00	527,00	555,00
Insurance - Premiums							70 357,00	111 348,00	195 989,00
Sub-Total: General Expenditure							**525 296,00**	**861 505,00**	**1 773 847,00**
Purchase of Electricity							3 711 464,00	8 785 808,00	24 444 985,00
Purchase of Water							1 355 701,00	2 922 173,00	7 943 784,00
Sub-Total: Bulk Purchases							**5 067 165,00**	**11 707 981,00**	**32 388 769,00**
Contracted Services: General							1 046 557,00	1 656 306,00	2 915 338,00
Contracted Services: Grass Cutting							351 784,00	556 742,00	979 946,00
Sub-Total: Contracted Services							**1 398 341,00**	**2 213 048,00**	**3 895 284,00**
R & M: Network / Infrastructure: Tarred Roads							351 784,00	556 742,00	979 946,00
R & M: IT Equipment and Back-ups							1 000,00	1 054,00	1 111,00
Sub-Total: Repairs and Maintenance							**352 784,00**	**557 796,00**	**981 057,00**
Indigent Grants: Free Basic Electricity							1 169 641,00	1 981 640,00	4 505 536,00
Sub-Total: Grants Paid							**1 169 641,00**	**1 981 640,00**	**4 505 536,00**
Depreciation Fixed Assets							673 100,00	4 094 685,00	5 346 200,00
Sub-Total: Depreciation							**673 100,00**	**4 094 685,00**	**5 346 200,00**

FINANCIAL PERIOD	F-03 2010/11 AUDITED ACTUAL	F-02 2011/12 AUDITED ACTUAL	F-01 2012/13 AUDITED ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 YEAR TO DATE	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
Provision for Bad Debt							1 293 114,00	4 673 126,00	27 807 525,00
Sub-Total: Contributions to Provisions							**1 293 114,00**	**4 673 126,00**	**27 807 525,00**
TOTAL OPERATING EXPENDITURE							**13 129 742**	**31 905 122**	**90 871 530**
Departmental Charges: Electricity							351 784,00	556 742,00	979 946,00
Departmental Charges: Sewerage							411 073,00	1 010 114,00	4 219 683,00
Departmental Charges: Water							351 784,00	556 742,00	979 946,00
Departmental Charges: Refuse							223 757,00	549 829,00	2 296 872,00
Sub-Total: Departmental Charges							**1 338 398**	**2 673 427**	**8 476 447**
NET OPERATING EXPENDITURE							**14 468 140,00**	**34 578 549,00**	**99 347 977,00**
ACCOUNTING SURPLUS / (DEFICIT)							**6 731 000**	**19 269 876**	**3 563 657**
Contribution to Capital Budget (CRR)									
Contribution to Capital Budget (Capital Replacement Reserve)							6 731 000,00	20 000 000,00	3 069 193,00
Contribution to Capital Budget (Grants and Contributions)							-	-	-
Redemption of External Loans							-	-	-
Plus:									
Offset Depreciation							-	-	-
BUDGET SURPLUS/ (DEFICIT)							**-**	**-730 124,00**	**494 464,00**



Draft Capital Budget - Summary

FINANCIAL PERIOD	F01 2014/2015 Tabled Budget	F02 2015/2016 Tabled Budget	F03 2016/2017 Tabled Budget
Capital Expenditure per Department			
Council	15 000,00	250 000,00	-
Savanna City	6 731 000,00	20 000 000,00	3 069 193,00
Municipal Manager	-	-	-
ED: Corporate Services	1 025 000,00	680 000,00	680 000,00
ED: Development and Planning	125 000,00	650 000,00	800 000,00
ED: Financial Services	140 000,00	620 000,00	620 000,00
ED: Mangement Services	273 000,00	50 000,00	50 000,00
ED: Community Services	12 774 000,00	17 320 000,00	5 500 000,00
ED: Protection Services	2 106 000,00	8 350 000,00	1 350 000,00
ED: Engineering Services	62 808 000,00	46 960 000,00	53 988 000,00
Total Expenditure	**85 997 000,00**	**94 880 000,00**	**66 057 193,00**

FINANCIAL PERIOD	F01 2014/2015 Tabled Budget	F02 2015/2016 Tabled Budget	F03 2016/2017 Tabled Budget
Capital Expenditure per Source of Finance			
CRR	18 611 000,00	25 080 000,00	7 899 193,00
Network connections	3 200 000,00	2 000 000,00	2 000 000,00
MIG	28 686 000,00	29 880 000,00	31 038 000,00
Grants Other (FMG)	100 000,00	120 000,00	120 000,00
Grants Other (DSRAC)	2 450 000,00	5 000 000,00	-
Grants Other (RBIG)	-	-	-
Grants Other (EEDSMG)	-	5 000 000,00	10 000 000,00
Grants Other (DOE)	-	-	-
HP	6 200 000,00	5 000 000,00	5 000 000,00
External Loans	9 400 000,00	5 000 000,00	-
External Loans (Carry Over)	8 800 000,00	8 000 000,00	-
Public Donations	1 200 000,00	1 300 000,00	1 500 000,00
Developer Contributions	7 350 000,00	8 500 000,00	8 500 000,00
Total Expenditure	**85 997 000,00**	**94 880 000,00**	**66 057 193,00**

FINANCIAL PERIOD	F01 2014/2015 Tabled Budget	F02 2015/2016 Tabled Budget	F03 2016/2017 Tabled Budget
High Level Dashboard - Capital Expenditure per Division			
Mayor's Office	-	-	-
Speaker's Office	15 000,00	250 000,00	-
Savanna City	6 731 000,00	20 000 000,00	3 069 193,00
Corporate Services Admin	480 000,00	680 000,00	680 000,00
Council Buildings	75 000,00	-	-
IT	470 000,00	-	-
Management Services	273 000,00	50 000,00	50 000,00
Financial Services	140 000,00	620 000,00	620 000,00
Development & Planning Admin	125 000,00	50 000,00	50 000,00
LED	-	600 000,00	750 000,00
Libraries	2 750 000,00	5 000 000,00	-
Cemetries	50 000,00	-	-
Social Services Admin	100 000,00	3 000 000,00	3 000 000,00
Traffic Police	1 264 000,00	1 350 000,00	1 350 000,00
Fire Services	842 000,00	7 000 000,00	-
Parks	1 704 000,00	-	-
Swimming Pool	100 000,00	-	-
Sport & Recreation	6 020 000,00	4 500 000,00	2 500 000,00
Main Sewer	12 815 000,00	200 000,00	5 000 000,00
Purification	500 000,00	-	-
Solid Waste Management	2 050 000,00	4 820 000,00	-
Roads & Stormwater	12 336 000,00	760 000,00	4 788 000,00
Mechanical Workshop	47 000,00	-	-
Water Services	16 430 000,00	19 500 000,00	20 700 000,00
Electricity Services	19 260 000,00	15 500 000,00	20 500 000,00
Engineering Admin	1 420 000,00	11 000 000,00	3 000 000,00
Total Expenditure	**85 997 000,00**	**94 880 000,00**	**66 057 193,00**

MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/14

MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/14

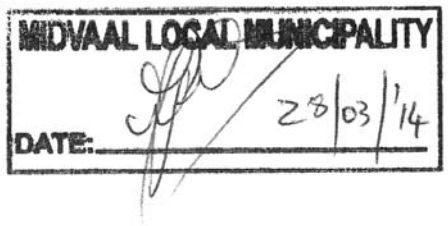
Draft Capital Budget - Project List

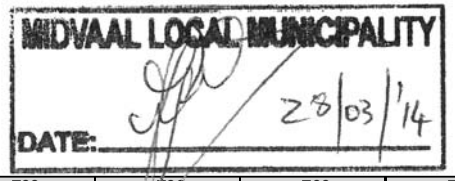
DEPARTMENT	DIVISION	PROJECT DESCRIPTION	SOURCE OF FINANCE	F01 2014/2015 Tabled Budget	F02 2015/2016 Tabled Budget	F03 2016/2017 Tabled Budget
Council	SPEAKER'S OFFICE	Building alterations - speakers office	CRR		250 000,00	
Council	SPEAKER'S OFFICE	Laptop Requirements-speakers office	CRR	15 000,00		
Savanna City	SAVANNA CITY	Computer Hardware	CRR	135 000,00	-	93 787,00
Savanna City	SAVANNA CITY	Equipment	CRR	1 649 000,00	-	-
Savanna City	SAVANNA CITY	Furniture	CRR	57 000,00	-	44 549,00
Savanna City	SAVANNA CITY	Motor Vehicles	CRR	2 890 000,00	20 000 000,00	930 857,00
Savanna City	SAVANNA CITY	Servitudes	CRR	2 000 000,00		2 000 000,00
ED: Corporate Services	CORPORATE SERVICES ADMIN	Furniture and Equipment	CRR		100 000,00	100 000,00
ED: Mangement Services	MANAGEMENT SERVICES	Furniture and Equipment	CRR		50 000,00	50 000,00
ED: Financial Services	FINANCIAL SERVICES	Furniture and Equipment	CRR		100 000,00	100 000,00
ED: Development and Planni	DEVELOPMENT & PLANNING ADMIN	Furniture and Equipment	CRR		50 000,00	50 000,00
ED: Community Services	SOCIAL SERVICES ADMIN	Furniture and Equipment	CRR		1 000 000,00	1 000 000,00
ED: Protection Services	TRAFFIC POLICE	Furniture and Equipment	CRR		350 000,00	350 000,00
ED: Engineering Services	ENGINEERING ADMIN	Furniture and Equipment	CRR		1 000 000,00	1 000 000,00
ED: Community Services	SOCIAL SERVICES ADMIN	Vehicle replacements	HP		2 000 000,00	2 000 000,00
ED: Protection Services	TRAFFIC POLICE	Vehicle replacements	HP		1 000 000,00	1 000 000,00
ED: Engineering Services	ENGINEERING ADMIN	Vehicle replacements	HP		2 000 000,00	2 000 000,00
ED: Corporate Services	CORPORATE SERVICES ADMIN	Vehicle replacements	CRR		580 000,00	580 000,00
ED: Financial Services	FINANCIAL SERVICES	Vehicle replacements	CRR		400 000,00	400 000,00
ED: Corporate Services	CORPORATE SERVICES ADMIN	Thin client device / screen / keyboard / mouse / sof	CRR	70 000,00		
ED: Corporate Services	CORPORATE SERVICES ADMIN	Sound system for Council chamber(committees)	CRR	120 000,00		
ED: Corporate Services	CORPORATE SERVICES ADMIN	Additional Storage Facilities	CRR	170 000,00		
ED: Corporate Services	CORPORATE SERVICES ADMIN	12 x Laptops - councillors	CRR	120 000,00		
ED: Corporate Services	COUNCIL BUILDINGS	Projector for use in Council halls	CRR	50 000,00		
ED: Corporate Services	COUNCIL BUILDINGS	3 x double door fridges (Rothdene & Lakeside)	CRR	25 000,00		
ED: Corporate Services	IT	IT Network infrastructure	CRR	470 000,00		
ED: Mangement Services	MANAGEMENT SERVICES	4 x Desktop - Thin client technology	CRR	15 000,00		
ED: Mangement Services	MANAGEMENT SERVICES	1 x Laptop (replacement, recruitment)	CRR	12 000,00		
ED: Mangement Services	MANAGEMENT SERVICES	HR Building Renovations	CRR	150 000,00		
ED: Mangement Services	MANAGEMENT SERVICES	Office Furniture	CRR	56 000,00		
ED: Mangement Services	MANAGEMENT SERVICES	Filing Cabinets - filing room	CRR	40 000,00		
ED: Financial Services	FINANCIAL SERVICES	Office Furniture (New Vacancies) (FMG)	Grants Other (FMG)	40 000,00	60 000,00	60 000,00
ED: Financial Services	FINANCIAL SERVICES	IT Equipment (Computers and Printers for replacem	Grants Other (FMG)	40 000,00	60 000,00	60 000,00
ED: Financial Services	FINANCIAL SERVICES	SCM: Electronic Stacker (FMG)	Grants Other (FMG)	20 000,00		
ED: Financial Services	FINANCIAL SERVICES	Furniture and fittings and Stores building	CRR	40 000,00		
ED: Development and Planni	DEVELOPMENT & PLANNING ADMIN	Thin client device / screen / keyboard / mouse / lice	CRR	50 000,00		
ED: Development and Planni	DEVELOPMENT & PLANNING ADMIN	Office Furniture (New Vacancies)	CRR	60 000,00		
ED: Development and Planni	DEVELOPMENT & PLANNING ADMIN	1 x Laptop	CRR	15 000,00		
ED: Development and Planni	LED	Shelters for Informal Traders (MIG)	MIG		600 000,00	750 000,00
ED: Community Services	LIBRARIES	Lakeside Library	Grants Other (DSRAC)	1 200 000,00		
ED: Community Services	LIBRARIES	Furniture & Equipment (Lakeside and Sicelo)	Grants Other (DSRAC)	250 000,00		
ED: Community Services	LIBRARIES	HOK Library kitchen upgrade -blinds burglar proofi	Grants Other (DSRAC)	150 000,00		
ED: Community Services	LIBRARIES	6 x 3M Library security system (Lakeside and Sicel	Grants Other (DSRAC)	150 000,00		
ED: Community Services	LIBRARIES	1 x LDV and 1 x Avanza	Grants Other (DSRAC)	400 000,00		
ED: Community Services	LIBRARIES	New Savannah City Library	Grants Other (DSRAC)	300 000,00	5 000 000,00	

MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/14

DEPARTMENT	DIVISION	PROJECT DESCRIPTION	SOURCE OF FINANCE	F01 2014/2015 Tabled Budget	F02 2015/2016 Tabled Budget	F03 2016/2017 Tabled Budget
ED: Community Services	LIBRARIES	De Deur roof Upgrade	CRR	300 000,00		
ED: Community Services	CEMETRIES	New C Class Cemetary Kookrus	MIG	50 000,00		
ED: Community Services	SOCIAL SERVICES ADMIN	Equipment - ECD Centre	CRR	100 000,00		
ED: Protection Services	TRAFFIC POLICE	Dragor Alcohol Machine	CRR	200 000,00		
ED: Protection Services	TRAFFIC POLICE	Traffic Vehicles	HP	680 000,00		
ED: Protection Services	TRAFFIC POLICE	Weighbridge and Equipment (Income generating)	CRR	384 000,00		
ED: Protection Services	FIRE SERVICES	Training Simulator (Aisco Fire Trainer)	CRR	522 000,00		
ED: Protection Services	FIRE SERVICES	Fire Station Vaal Marina (MIG)	MIG		7 000 000,00	
ED: Protection Services	FIRE SERVICES	People Transporter	HP	320 000,00		
ED: Community Services	PARKS	2 x 2.0 LDV (New)	HP	420 000,00		
ED: Community Services	PARKS	4 x Slashers	CRR	120 000,00		
ED: Community Services	PARKS	1 x 3 Ton trucks with canopy (HP)	HP	600 000,00		
ED: Community Services	PARKS	2 x Large Chainsaws	CRR	40 000,00		
ED: Community Services	PARKS	Brush cutters	CRR	130 000,00		
ED: Community Services	PARKS	4 x Kudus	CRR	80 000,00		
ED: Community Services	PARKS	Tractor Replacement (Insurance)	CRR	279 000,00		
ED: Community Services	PARKS	Slasher Replacement (Insurance)	CRR	35 000,00		
ED: Community Services	SWIMMING POOL	Renovation of swimming pool Chemical Store	CRR	60 000,00		
ED: Community Services	SWIMMING POOL	Renovation of House	CRR	40 000,00		
ED: Community Services	SPORT & RECREATION	Lakeside Sport Centre (MIG)	MIG	4 500 000,00	4 500 000,00	2 500 000,00
ED: Community Services	SPORT & RECREATION	Sicelo Football field (MIG)	MIG	1 500 000,00		
ED: Community Services	SPORT & RECREATION	1 x Ladder and scaffolding	CRR	20 000,00		
ED: Engineering Services	MAIN SEWER	Upgrade Sewer Pump Stations & Rising Mains	CRR	500 000,00		
ED: Engineering Services	MAIN SEWER	Upgrade of Sewers Sicelo (MIG)	MIG	6 000 000,00		
ED: Engineering Services	MAIN SEWER	Extension to Daleside Sewer (MIG)	MIG	6 000 000,00	200 000,00	5 000 000,00
ED: Engineering Services	MAIN SEWER	Mamello Bulk Sewer Servitude	CRR	100 000,00		
ED: Engineering Services	MAIN SEWER	3 x Standby Pumps	CRR	120 000,00		
ED: Engineering Services	MAIN SEWER	Underground Cable Locator	CRR	95 000,00		
ED: Engineering Services	PURIFICATION	Double Cab Truck	HP	380 000,00		
ED: Engineering Services	PURIFICATION	Sludge Pump	CRR	120 000,00		
ED: Community Services	SOLID WASTE MANAGEMENT	Skip Bins	CRR	250 000,00		
ED: Community Services	SOLID WASTE MANAGEMENT	Upgr Walkerville Landfill Site (GS/SA/7089/9/10(MI	MIG		420 000,00	
ED: Community Services	SOLID WASTE MANAGEMENT	Upg Vaalmarina landfill Site (GS/SA/8368/11/12 (M	MIG		2 400 000,00	
ED: Community Services	SOLID WASTE MANAGEMENT	Upg Vaalmarina Trf Station (GS/GA/83621/11/12)(	MIG		2 000 000,00	
ED: Community Services	SOLID WASTE MANAGEMENT	1 x TLB (HP)	HP	1 200 000,00		
ED: Community Services	SOLID WASTE MANAGEMENT	1 x 3 Ton Truck (HP)	HP	600 000,00		
ED: Engineering Services	ROADS & STORMWATER	Upgrade Intersections (Carry Over)	External Loans (Carry Over)	3 000 000,00		
ED: Engineering Services	ROADS & STORMWATER	Gravel to Tar Phase 4 (MIG)	MIG	7 516 000,00	760 000,00	4 788 000,00
ED: Engineering Services	ROADS & STORMWATER	Upgrade Gravel Roads (Carry Over)	External Loans (Carry Over)	1 000 000,00		
ED: Engineering Services	ROADS & STORMWATER	3 Ton Flatbed truck (HP)	HP	600 000,00		
ED: Engineering Services	WATER SERVICES	Water tanker	Public Donations	1 200 000,00	1 300 000,00	1 500 000,00
ED: Engineering Services	ROADS & STORMWATER	Purchase of Erf 1023 Meyerton (servitude)	CRR	220 000,00		
ED: Engineering Services	MECHANICAL WORKSHOP	Camera around workshop	CRR	22 000,00		
ED: Engineering Services	MECHANICAL WORKSHOP	Software for diagnostic machine	CRR	25 000,00		
ED: Engineering Services	WATER SERVICES	Water Meter Revenue Protection Programme	CRR	1 100 000,00	1 200 000,00	1 200 000,00
ED: Engineering Services	WATER SERVICES	Panels and Pumps	CRR	450 000,00		
ED: Engineering Services	WATER SERVICES	Sicelo/Highbury (Valley Settlements) Reservoir & M	MIG	3 000 000,00	12 000 000,00	18 000 000,00

DEPARTMENT	DIVISION	PROJECT DESCRIPTION	SOURCE OF FINANCE	F01 2014/2015 Tabled Budget	F02 2015/2016 Tabled Budget	F03 2016/2017 Tabled Budget
ED: Engineering Services	WATER SERVICES	Sicelo/Highbury (Valley Settlements) Reservoir & M	External Loans	4 500 000,00	5 000 000,00	
ED: Engineering Services	WATER SERVICES	Mamello Bulk Water (MIG)	MIG	100 000,00		
ED: Engineering Services	WATER SERVICES	Replacement of AC Pipes	External Loans	4 900 000,00		
ED: Engineering Services	WATER SERVICES	Bobcat Back-hoe	CRR	100 000,00		
ED: Engineering Services	WATER SERVICES	Drilling Machine	CRR	80 000,00		
ED: Engineering Services	WATER SERVICES	Lakeside Rand Water Connection (upgrade)	Developer Contributions	1 000 000,00		
ED: Engineering Services	ELECTRICITY SERVICES	Ripple Controllers	CRR	200 000,00		
ED: Engineering Services	ELECTRICITY SERVICES	Streetlights in general	CRR	250 000,00		
ED: Engineering Services	ELECTRICITY SERVICES	Prepay PLC meters	Network connections	2 000 000,00	2 000 000,00	2 000 000,00
ED: Engineering Services	ELECTRICITY SERVICES	Upgrade RI 3 substation	Developer Contributions	550 000,00		
ED: Engineering Services	ELECTRICITY SERVICES	Upgrade S10 substation	Developer Contributions	550 000,00		
ED: Engineering Services	ELECTRICITY SERVICES	Upgrade S16 substation	Developer Contributions	250 000,00		
ED: Engineering Services	ELECTRICITY SERVICES	Extention to building + equipment (network control	CRR	530 000,00		
ED: Engineering Services	ELECTRICITY SERVICES	Danie McLean Park Lighting	CRR	20 000,00		
ED: Engineering Services	ELECTRICITY SERVICES	High mast lights Sicelo	CRR	750 000,00		
ED: Engineering Services	ELECTRICITY SERVICES	High mast lights De Deur	CRR	1 400 000,00		
ED: Engineering Services	ELECTRICITY SERVICES	Streetlights in Henley on Klip	CRR	750 000,00		
ED: Engineering Services	ELECTRICITY SERVICES	Upgrade lines in Chrissiesfontein	Developer Contributions			3 500 000,00
ED: Engineering Services	ELECTRICITY SERVICES	Feeder supply to S16	Developer Contributions		3 500 000,00	
ED: Engineering Services	ELECTRICITY SERVICES	Risiville Substation (Bulk Contribution)	Developer Contributions	5 000 000,00	5 000 000,00	
ED: Engineering Services	ELECTRICITY SERVICES	Energy Efficiency (EEDSMG)	Grants Other (EEDSMG)		5 000 000,00	10 000 000,00
ED: Engineering Services	ELECTRICITY SERVICES	Electrical Reticulation (new areas)	Developer Contributions			5 000 000,00
ED: Engineering Services	ELECTRICITY SERVICES	Sicelo Bulk Network (Erf 78 to 204) (Carry Over)	External Loans (Carry Over)	1 000 000,00		
ED: Engineering Services	ELECTRICITY SERVICES	Sicelo Elec Network (Erf 204) (Carry Over)	External Loans (Carry Over)	2 500 000,00		
ED: Engineering Services	ELECTRICITY SERVICES	New OCB at G1 Sub	CRR	120 000,00		
ED: Engineering Services	ELECTRICITY SERVICES	1x TLB (HP)	HP	900 000,00		
ED: Engineering Services	ELECTRICITY SERVICES	New connections	Network connections	1 200 000,00		
ED: Engineering Services	ELECTRICITY SERVICES	Wacker	CRR	150 000,00		
ED: Engineering Services	ELECTRICITY SERVICES	2 x Air Driven Compactors	CRR	190 000,00		
ED: Engineering Services	ELECTRICITY SERVICES	75mm Grunumat Moll Drill	CRR	250 000,00		
ED: Engineering Services	ELECTRICITY SERVICES	2 x Minibus	HP	500 000,00		
ED: Engineering Services	ELECTRICITY SERVICES	Portable Cherry Picker	CRR	200 000,00		
ED: Engineering Services	ENGINEERING ADMIN	Laptop	MIG	20 000,00		
ED: Engineering Services	ENGINEERING ADMIN	Computer Equipment (Thin client technology)	CRR	100 000,00		
ED: Engineering Services	ENGINEERING ADMIN	Sicelo Basic Services (Carry over)	External Loans (Carry Over)	1 300 000,00	8 000 000,00	





MIDVAAL LOCAL MUNICIPALITY - BUDGETED FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL PERFORMANCE	F-03 2010/2011 ACTUAL	F-02 2011/2012 ACTUAL	F-01 2012/2013 ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 ACTUAL YTD	F00 2013/14 PROJECTED	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
Property Rates	71 588 823	90 132 840	94 353 113	118 111 500	108 977 776	70 979 974	108 977 776	130 588 389	142 521 080	167 344 623
Service Charges	278 320 848	325 320 859	377 170 635	419 321 638	422 321 638	277 964 888	422 321 638	486 763 351	538 733 762	615 647 326
Fines	10 440 424	10 439 574	7 020 165	9 000 000	14 000 000	9 290 342	14 000 000	14 523 000	15 307 242	16 133 833
Government Grants and Subsidies	71 445 356	92 618 465	96 206 274	155 601 167	107 601 167	77 420 183	107 601 167	108 354 902	122 501 912	138 062 679
Public Donations - Infrastructure	142 131 705	3 837 377	55 714 394	-	-	-	-	1 200 000	1 300 000	1 500 000
Public Donations - Other cash donations	1 229 972	520 835	119 605	-	-	-	-	999 941	10 219 476	330 000
Public Contributions	12 112 609	2 921 372	7 315 520	13 423 800	4 423 800	2 886 851	1 000 000	5 550 000	10 500 000	10 500 000
Other Income	11 855 141	13 218 641	16 179 835	13 441 239	15 045 805	11 642 038	18 469 605	16 149 741	16 659 897	17 559 536
Interest Earned on Investments	774 806	1 157 217	2 036 636	1 800 000	2 800 000	2 243 749	2 800 000	2 000 000	2 108 000	2 221 832
Interest Earned on Outstanding Debtors	6 820 180	7 687 719	7 119 810	7 199 520	5 199 520	3 088 176	5 199 520	4 000 000	4 216 000	4 443 664
Rent of Facilities and Equipment	534 040	1 534 595	1 329 612	1 020 000	1 270 000	604 430	1 270 000	1 300 000	1 370 200	1 444 191
Gain on Disposal of Assets	713 844	105 669	-	-	-	-	-	-	-	-
Internal Consumption	-	3 235 082	6 121 695	5 071 483	5 071 483	4 503 424	5 071 483	6 161 882	6 494 624	6 845 334
Total Revenue	**607 967 748**	**552 730 246**	**670 687 294**	**743 990 347**	**686 711 189**	**460 624 055**	**686 711 189**	**777 591 206**	**871 932 193**	**982 033 018**
Employee related costs	120 890 888	135 701 990	151 169 693	165 304 929	164 903 634	103 167 742	164 903 634	185 039 047	201 855 691	223 632 242
Remuneration of councillors	5 232 599	7 430 429	7 874 951	9 708 194	9 377 145	5 852 590	9 377 145	9 052 058	9 631 390	10 247 799
Depreciation	112 453 205	77 423 417	110 579 532	117 353 402	117 353 402	68 456 151	117 353 402	131 699 993	151 873 357	143 545 022
Finance Cost	16 124 755	13 987 567	16 119 860	22 115 932	22 115 932	8 637 098	22 115 932	18 805 823	17 070 919	14 888 175
Debt Impairment	24 802 470	22 990 000	27 322 871	27 059 981	25 059 981	15 784 989	25 059 981	27 179 751	34 595 633	63 404 746
Repairs and Maintenance	27 426 597	29 225 226	28 675 653	32 933 910	34 072 910	15 756 678	34 072 910	46 645 421	50 818 573	55 430 656
Bulk Purchases	157 135 590	199 877 869	225 659 652	249 800 000	252 800 000	169 612 608	252 800 000	283 738 999	312 673 562	357 431 596
Contracted Services	43 840 357	45 058 200	48 879 295	60 119 586	57 668 245	30 480 706	57 668 245	55 714 577	59 484 467	64 243 098
General Expenditure	39 540 070	37 819 563	37 297 238	54 283 457	50 688 612	30 563 314	50 688 612	48 762 023	51 657 447	55 312 780
Grants and Subsidies Paid	12 273	15 154	11 653	32 712	2 032 712	12 338	2 032 712	15 426 265	19 070 673	23 950 217
Loss on Disposal of Assets	-	-	-	-	-	-	-	-	-	-
Internal Consumption	2 743 687	3 235 082	6 121 695	5 071 483	5 071 483	4 650 979	5 071 483	7 500 280	9 168 050	15 321 779
Total Expenditure	**550 202 490**	**572 764 496**	**659 712 094**	**743 783 586**	**741 144 056**	**452 975 193**	**741 144 056**	**829 564 237**	**917 899 762**	**1 027 408 110**
Net Surplus / (Deficit) for the year	**57 765 258**	**(20 034 251)**	**10 975 199**	**206 761**	**(54 432 867)**	**7 648 862**	**(54 432 867)**	**(51 973 031)**	**(45 967 569)**	**(45 375 092)**

STATEMENT OF CHANGES IN NET ASSETS	F-03 2010/2011 ACTUAL	F-02 2011/2012 ACTUAL	F-01 2012/2013 ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 ACTUAL YTD	F00 2013/14 PROJECTED	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
Opening Accumulated Surplus	**537 637 113**	**597 686 288**	**627 731 745**	**593 336 650**	**628 344 103**	**628 344 103**	**628 344 103**	**704 896 625**	**789 623 587**	**895 529 375**
Prior Year Adjustments and Restatements	2 283 917	50 079 707	1	0	30 999 999	(1)	13 157 912			
Restated Opening Balance - Accumulated Surplus	**539 921 030**	**647 765 996**	**627 731 746**	**593 336 650**	**659 344 102**	**628 344 102**	**641 502 015**	**704 896 625**	**789 623 587**	**895 529 375**
Surplus / (Deficit) for the year	57 765 258	(20 034 251)	10 975 199	206 761	(54 432 867)	7 648 862	(54 432 867)	(51 973 031)	(45 967 569)	(45 375 092)
Less: Transfer from Accumulated Surplus to Reserves										
Development Contributions Reserve	-	-	(4 729 116)	-	500 000	(2 743 998)	(500 000)	5 000 000	-	-
Assets Fair Value Reserve	-	-	-	-	117 353 402	68 456 151	117 353 402	131 699 993	151 873 357	143 545 022
Capital Replacement Reserve	-	-	(5 633 726)	-	974 075	(29 906 059)	974 075	-	-	-
Closing Surplus	**597 686 288**	**627 731 745**	**628 344 103**	**593 543 411**	**723 738 712**	**671 799 058**	**704 896 625**	**789 623 587**	**895 529 375**	**993 699 305**
Plus: Ringfenced Reserves in Accumulated Surplus										
Development Contributions Reserve										
Opening Balance			-		4 729 116	4 729 116	4 729 116	5 229 116	229 116	229 116
Plus Contributions			4 729 116		1 000 000	2 886 851	2 000 000	2 350 000	8 500 000	8 500 000
Less Expenditure					(1 500 000)	(142 852)	(1 500 000)	(7 350 000)	(8 500 000)	(8 500 000)
Closing Balance	**-**	**-**	**4 729 116**	**-**	**4 229 116**	**7 473 114**	**5 229 116**	**229 116**	**229 116**	**229 116**
Assets Fair Value Reserve										
Opening Balance	1 349 205 086	1 349 205 086	1 349 205 086	1 349 205 086	1 349 205 086	1 349 205 086	1 349 205 086	1 231 851 684	1 100 151 691	948 278 334
Plus Contributions										
Less Offset Depreciation					(117 353 402)	(68 456 151)	(117 353 402)	(131 699 993)	(151 873 357)	(143 545 022)
Closing Balance	**1 349 205 086**	**1 349 205 086**	**1 349 205 086**	**1 349 205 086**	**1 231 851 684**	**1 280 748 935**	**1 231 851 684**	**1 100 151 691**	**948 278 334**	**804 733 312**
Capital Replacement Reserve										
Opening Balance			-		5 633 726	5 633 726	5 633 726	4 659 651	4 659 651	4 659 651

Plus Contributions			5 633 726		15 073 674	33 684 674	15 073 674	18 611 000	25 080 000	7 899 193
Less Expenditure					(16 047 749)	(3 778 615)	(16 047 749)	(18 611 000)	(25 080 000)	(7 899 193)
Closing Balance	**-**	**-**	**5 633 726**	**-**	**4 659 651**	**35 539 785**	**4 659 651**	**4 659 651**	**4 659 651**	**4 659 651**
TOTAL ACCUMULATED SURPLUS	**1 946 891 374**	**1 976 936 831**	**1 987 912 031**	**1 942 748 497**	**1 964 479 163**	**1 995 560 892**	**1 946 637 076**	**1 894 664 045**	**1 848 696 476**	**1 803 321 384**

STATEMENT OF FINANCIAL POSITION	F-03 2010/2011 ACTUAL	F-02 2011/2012 ACTUAL	F-01 2012/2013 ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 ACTUAL YTD	F00 2013/14 PROJECTED	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
ASSETS										
Current Assets	**97 215 887**	**118 018 020**	**154 497 956**	**137 978 212**	**165 308 189**	**210 472 362**	**175 485 829**	**158 676 855**	**163 049 386**	**188 889 523**
Cash and Cash Equivalents	4 710 916	5 350 276	40 484 187	22 599 776	44 883 652	12 399 403	55 061 292	31 508 544	29 013 986	47 616 212
Short Term Investments				-	-	96 972 815				
Consumer Debtors	72 050 690	93 459 544	95 151 227	81 122 522	100 479 696	93 133 491	100 479 696	106 106 559	111 836 313	117 875 474
VAT Receivable	8 543 789	6 112 369	6 425 749	18 825 310	6 785 591	543 275	6 785 591	7 165 584	7 552 526	7 960 362
Other Receivables from Exchange Transactions	6 112 218	5 600 821	5 937 648	7 009 211	6 270 156	998 781	6 270 156	6 621 285	6 978 834	7 355 691
Inventories	5 798 274	7 495 010	6 499 145	8 421 393	6 889 094	6 424 596	6 889 094	7 274 883	7 667 727	8 081 784
Non Current Assets	**2 097 151 764**	**2 144 185 135**	**2 142 593 628**	**2 106 455 369**	**2 122 147 643**	**2 101 483 636**	**2 122 147 643**	**2 076 444 650**	**2 019 451 293**	**1 941 963 464**
Property Plant and Equipment	2 066 638 764	2 091 289 730	2 089 699 495	2 075 942 369	2 069 253 510	2 048 589 504	2 069 253 510	2 023 550 517	1 966 557 160	1 889 069 331
Investment Property	30 513 000	52 892 000	52 892 000	30 513 000	52 892 000	52 892 000	52 892 000	52 892 000	52 892 000	52 892 000
Intangible Assets		3 405	1 705	-	1 705	1 704	1 705	1 705	1 705	1 705
Heritage Assets			428	-	428	428	428	428	428	428
TOTAL ASSETS	**2 194 367 651**	**2 262 203 155**	**2 297 091 584**	**2 244 433 581**	**2 287 455 832**	**2 311 955 998**	**2 297 633 472**	**2 235 121 505**	**2 182 500 679**	**2 130 852 987**
LIABILITIES										
Current Liabilities	**101 653 400**	**111 744 613**	**104 373 439**	**109 549 888**	**108 130 583**	**80 076 777**	**103 396 070**	**105 764 138**	**111 475 401**	**117 495 073**
Trade and Other Payables from Exchange Transactions	79 118 679	84 147 258	72 065 211	89 546 204	76 389 124	33 494 951	81 741 750	82 897 176	87 373 623	92 091 799
Consumer Deposits	8 067 353	8 892 677	9 804 398	9 916 544	10 353 444	10 091 482	10 353 444	10 933 237	11 523 632	12 145 908
Short Term Portion of External Loans	8 543 451	7 667 380	8 960 874	7 667 380	7 667 380	8 960 874				
Short Term Portion of Finance Lease Obligation	1 678 411	2 169 923	2 841 369	2 419 759	2 419 759	2 841 369				
VAT payable		8 867 375	10 701 587	-	11 300 876	-	11 300 876	11 933 725	12 578 146	13 257 366
System Clearing Accounts						24 688 101				
Unspent Conditional Grants and Receipts	4 245 506	-	-	-	-	-	-	-	-	-
Non Current Liabilities	**145 822 877**	**173 521 711**	**204 806 114**	**192 135 196**	**214 846 085**	**236 318 329**	**247 600 325**	**234 693 321**	**222 328 801**	**210 036 529**
External Loans	116 486 037	108 820 720	120 144 593	156 729 638	156 729 638	148 352 830	179 366 522	166 375 559	146 237 333	126 021 576
Other Long Term Liabilities							2 230 261			
Provisions	20 717 638	27 489 887	41 326 724	25 930 131	43 641 021	41 326 724	43 641 021	46 084 918	48 573 503	51 196 472
Retirement Benefit Obligation		28 714 000	36 414 000		5 000 000	36 414 000	5 000 000	5 280 000	5 565 120	5 865 636
Finance Lease Obligation	8 619 202	8 497 104	6 920 797	9 475 427	9 475 427	10 224 774	17 362 522	16 952 845	21 952 845	26 952 845
TOTAL LIABILITIES	**247 476 277**	**285 266 324**	**309 179 554**	**301 685 084**	**322 976 668**	**316 395 106**	**350 996 395**	**340 457 459**	**333 804 202**	**327 531 602**
NET ASSETS	**1 946 891 374**	**1 976 936 831**	**1 987 912 030**	**1 942 748 497**	**1 964 479 163**	**1 995 560 892**	**1 946 637 077**	**1 894 664 046**	**1 848 696 477**	**1 803 321 384**
Accumulated Surplus	**1 946 891 374**	**1 976 936 831**	**1 987 912 031**	**1 942 748 497**	**1 964 479 163**	**1 995 560 892**	**1 946 637 076**	**1 894 664 045**	**1 848 696 476**	**1 803 321 384**

CASH FLOW STATEMENT	F-03 2010/2011 ACTUAL	F-02 2011/2012 ACTUAL	F-01 2012/2013 ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 ACTUAL YTD	F00 2013/14 PROJECTED	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts	**437 701 569**	**504 921 404**	**580 098 164**	**706 712 795**	**651 107 952**	**453 314 247**	**651 107 952**	**735 932 983**	**820 984 660**	**895 604 915**
Cash receipts from ratepayers, government and other	186 026 544	219 074 041	229 643 931	317 797 226	256 518 068	175 911 993	256 518 068	281 465 973	323 295 807	355 818 526
Cash receipts from service charges	250 900 218	284 690 146	348 417 596	387 115 569	391 789 884	275 158 505	391 789 884	452 467 010	495 580 853	537 564 557
Interest income	774 806	1 157 217	2 036 636	1 800 000	2 800 000	2 243 743	2 800 000	2 000 000	2 108 000	2 221 832
Payments	**(400 506 490)**	**(454 263 281)**	**(503 403 121)**	**(588 331 667)**	**(587 225 641)**	**(388 592 270)**	**(597 484 840)**	**(661 288 091)**	**(714 760 991)**	**(797 229 739)**
Cash paid to employees	(126 123 487)	(143 132 419)	(159 044 644)	(175 013 123)	(174 280 779)	(109 020 382)	(174 280 779)	(194 091 105)	(211 487 081)	(233 880 041)

MOVAAL LOCAL MUNICIPALITY
DATE: 28/03/14

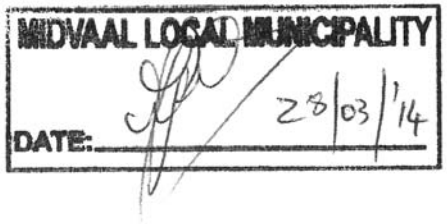
MIDVAAL LOCAL MUNICIPALITY
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Cash paid to suppliers	(258 258 248)	(268 429 294)	(328 238 617)	(391 202 612)	(411 822 930)	(295 622 941)	(414 246 042)	(448 391 163)	(486 202 991)	(548 461 523)
Non cash prior year adjustments (post retirement benefits)		(28 714 000)			31 000 000	24 688 101	13 157 913			
Finance Costs	(16 124 755)	(13 987 567)	(16 119 860)	(22 115 932)	(22 115 932)	(8 637 098)	(22 115 932)	(18 805 823)	(17 070 919)	(14 888 175)
Net cash flow from Operating Activities	**37 195 079**	**50 658 123**	**76 695 042**	**118 381 128**	**63 882 312**	**64 721 977**	**53 623 112**	**74 644 892**	**106 223 668**	**98 375 176**
CASH FLOW FROM INVESTING ACTIVITIES										
Purchase of property, plant and equipment	(40 959 069)	(42 456 781)	(53 273 637)	(152 467 000)	(96 907 417)	(27 346 159)	(96 907 417)	(84 797 000)	(93 580 000)	(64 557 193)
Movement on landfill site asset										
Proceeds on disposal of fixed assets	856 582	609 993	-							
Net cash flow from Investing Activities	**(40 102 487)**	**(41 846 788)**	**(53 273 637)**	**(152 467 000)**	**(96 907 417)**	**(27 346 159)**	**(96 907 417)**	**(84 797 000)**	**(93 580 000)**	**(64 557 193)**
CASH FLOW FROM FINANCING ACTIVITIES										
New loans raised / (repaid)	(3 863 412)	(8 541 388)	12 617 367	35 701 054	35 291 550	28 208 237	50 261 054	(12 990 963)	(20 138 226)	(20 215 757)
Increase / (Decrease) in Finance Lease Obligation	10 297 613	369 414	(904 861)	630 805	2 133 020	3 303 978	7 600 356	(409 677)	5 000 000	5 000 000
Net cash flow from Financing Activities	**6 434 201**	**(8 171 974)**	**11 712 506**	**36 331 859**	**37 424 570**	**31 512 215**	**57 861 410**	**(13 400 640)**	**(15 138 226)**	**(15 215 757)**
NET INCREASE / (DECREASE) IN CASH	**3 526 793**	**639 361**	**35 133 911**	**2 245 987**	**4 399 465**	**68 888 032**	**14 577 105**	**(23 552 748)**	**(2 494 558)**	**18 602 226**
Cash and cash equivalents at the beginning of the year	1 184 123	4 710 916	5 350 276	20 353 789	40 484 187	40 484 187	40 484 187	55 061 292	31 508 544	29 013 986
Cash and cash equivalents at the end of the year (Cash	**4 710 916**	**5 350 277**	**40 484 187**	**22 599 776**	**44 883 652**	**109 372 219**	**55 061 292**	**31 508 544**	**29 013 986**	**47 616 212**

FINANCIAL OVERVIEW	F-03 2010/2011 ACTUAL	F-02 2011/2012 ACTUAL	F-01 2012/2013 ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 ACTUAL YTD	F00 2013/14 PROJECTED	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
Financial Overview										
Total Operating Expenditure	550 202 490	572 764 496	659 712 094	743 783 586	741 144 056	452 975 193	741 144 056	829 564 237	917 899 762	1 027 408 110
Total Capital Expenditure	182 778 618	42 456 781	98 129 634	152 467 000	96 907 417	27 346 159	96 907 417	85 997 000	94 880 000	66 057 193
Total Expenditure	**732 981 108**	**615 221 277**	**757 841 728**	**896 250 586**	**838 051 473**	**480 321 352**	**838 051 473**	**915 561 237**	**1 012 779 762**	**1 093 465 303**
Number of Staff Members	593	613	619	699	679	629	629	702		
Employee Cost	120 890 888	135 701 990	151 169 693	165 304 929	164 903 634	103 167 742	164 903 634	185 039 047	201 855 691	223 632 242
Employee Cost as a % of Opex	21,97%	23,69%	22,91%	22,22%	22,25%	22,78%	22,25%	22,31%	21,99%	21,77%
Audit Outcome	Unqualified	Unqualified	Unqualified							
Liquidity Ratio's										
Current Ratio	0,96	1,06	1,48	1,26	1,53	2,63	1,70	1,50	1,46	1,61
Acid Test Ratio	0,90	0,99	1,42	1,18	1,47	2,55	1,63	1,43	1,39	1,54
Cost Coverage (total cash and investments)	0,10	0,11	0,74	0,36	0,73	2,21	1,11	0,64	0,59	0,96
Interest Coverage (total cash and investments)	0,29	0,38	2,51	1,02	2,03	12,66	2,49	1,68	1,70	3,20
Number of day's total cash held	3	3	22	11	22	67	34	19	18	29
Number of day's un-encumbered operating cash held	(6)	(3)	10	8	10	17	8	5	10	21
Municipality Funded as per NT (Yes/No)	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Productivity Ratio's										
R and M as a % of operating expenditure	4,98%	5,10%	4,35%	4,43%	4,60%	3,48%	4,60%	5,62%	5,54%	5,40%
R and M as a % of PPE	1,33%	1,40%	1,37%	1,59%	1,65%	0,77%	1,65%	2,31%	2,58%	2,93%
R and M underprovision	137 904 505	138 077 953	138 500 307	133 141 479	131 467 371	148 130 482	131 467 371	115 238 620	106 506 000	95 694 890
Salaries as a % of operating expenditure	21,97%	23,69%	22,91%	22,22%	22,25%	22,78%	22,25%	22,31%	21,99%	21,77%

ANALYSIS OF CASH BALANCES (NT A8)	F-03 2010/2011 ACTUAL	F-02 2011/2012 ACTUAL	F-01 2012/2013 ACTUAL	F00 2013/14 ORG BUDGET	F00 2013/14 ADJ BUDGET	F00 2013/14 ACTUAL YTD	F00 2013/14 PROJECTED	F01 2014/15 TABLED BUDGET	F02 2015/16 INDICATIVE	F03 2016/17 INDICATIVE
Cash and Cash Equivalents	4 710 916	5 350 276	40 484 187	22 599 776	44 883 652	12 399 403	55 061 292	31 508 544	29 013 986	47 616 212
Plus: Investments	-	-	-	-	-	96 972 815	-	-	-	-
Total Cash and Investments	**4 710 916**	**5 350 276**	**40 484 187**	**22 599 776**	**44 883 652**	**109 372 219**	**55 061 292**	**31 508 544**	**29 013 986**	**47 616 212**
Less Encumbered Cash (3rd party entitlements)	**14 081 661**	**10 661 479**	**21 936 042**	**5 490 572**	**23 616 239**	**82 166 510**	**41 816 239**	**24 104 175**	**12 312 978**	**13 111 871**
Unspent conditional grants	4 245 506	-	-	-	-	24 688 101	-	-	-	-
Developer's Contributions Reserve	-	-	4 729 116	-	4 229 116	7 473 114	5 229 116	229 116	229 116	229 116
Capital Replacement Reserve	-	-	5 633 726	-	4 659 651	35 539 785	4 659 651	4 659 651	4 659 651	4 659 651

Unspent loan funding	6 194 774	6 194 774	6 194 774	-	8 800 000	8 800 000	26 000 000	12 549 160		
Consumer Deposits held	8 067 353	8 892 677	9 804 398	9 916 544	10 353 444	10 091 482	10 353 444	10 933 237	11 523 632	12 145 908
Consumer deposits held as bank guarantees	(7 370 100)	(7 370 100)	(7 370 100)	(7 370 100)	(7 370 100)	(7 370 100)	(7 370 100)	(7 370 100)	(7 370 100)	(7 370 100)
Retentions held	2 944 128	2 944 128	2 944 128	2 944 128	2 944 128	2 944 128	2 944 128	3 103 111	3 270 679	3 447 295
Un-encumbered Operating Cash	**(9 370 745)**	**(5 311 203)**	**18 548 145**	**17 109 204**	**21 267 413**	**27 205 709**	**13 245 053**	**7 404 369**	**16 701 008**	**34 504 341**
Less Funding of Provisions and Reserves	**15 538 229**	**49 331 415**	**67 409 043**	**19 447 599**	**37 730 765**	**67 409 043**	**37 730 765**	**39 833 688**	**41 984 707**	**44 251 882**
Provisions (@75%)	15 538 229	20 617 415	30 995 043	19 447 599	32 730 765	30 995 043	32 730 765	34 563 688	36 430 127	38 397 354
Post Retirement Provision (@100%)	-	28 714 000	36 414 000	-	5 000 000	36 414 000	5 000 000	5 270 000	5 554 580	5 854 527
Less Working Capital Requirements	**(4 986 817)**	**(17 870 294)**	**(32 223 974)**	**(14 202 127)**	**(33 740 256)**	**(58 340 329)**	**(28 387 630)**	**(33 399 449)**	**(35 203 020)**	**(37 103 983)**
Trade Debtors	84 105 496	102 017 552	104 289 185	103 748 332	110 129 380	91 835 281	110 129 380	116 296 625	122 576 643	129 195 781
Less Trade Creditors	79 118 679	84 147 258	72 065 211	89 546 204	76 389 124	33 494 951	81 741 750	82 897 176	87 373 623	92 091 799
Working Capital	-	-	-	-	-	-	-	-	-	-
Level of Budget Funding (=> 0 funded, <0, unfunded)	**-19 922 156**	**-36 772 324**	**-16 636 924**	**11 863 733**	**17 276 903**	**18 136 995**	**3 901 917**	**970 130**	**9 919 320**	**27 356 442**
Expenditure per year	550 202 490	572 764 496	659 712 094	743 783 586	741 144 056	452 975 193	741 144 056	829 564 237	917 899 762	1 027 408 110
Expenditure per month	45 850 207	47 730 375	54 976 008	61 981 966	61 762 005	49 471 599	49 524 893	49 524 893	49 524 893	49 524 893
Expenditure per day	1 507 404	1 569 218	1 807 430	2 037 763	2 030 532	1 626 464	1 628 216	1 628 216	1 628 216	1 628 216
Number of day's total cash held	3	3	22	11	22	67	34	19	18	29
Number of day's un-encumbered operating cash held	(6)	(3)	10	8	10	17	8	5	10	21
Cost Coverage in months (Total cash and investments)	0,10	0,11	0,74	0,36	0,73	2,21	1,11	0,64	0,59	0,96



ANNEXURE "D"

MIDVAAL

Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

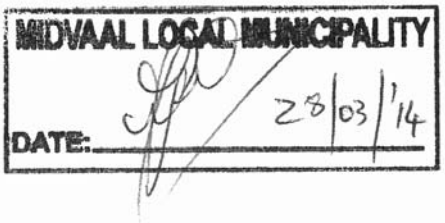
2014/2015 TARIFFS

MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/14

MIDVAAL

Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

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3. Water Tariffs
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5. Cleansing and Solid Waste Tariffs
6. Hire of City Halls Tariffs
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MIDVAAL LOCAL MUNICIPALITY

ITEM	DESCRIPTION PROPERTY RATES	RATIO TO RES PROPERTIES	2013/2014	REDUCTION R VALUE	REBATE %	EXEMPTION %	2014/2015	REDUCTION R VALUE	REBATE %	EXEMPTION %
	DETERMINATION OF CHARGES PAYABLE IN TERMS OF SECTION 75A OF									
	THE MUNICIPAL SYSTEMS ACT AND SECTION 2 OF THE MUNICIPAL									
	PROPERTY RATES ACT 6 OF 2004									
	THE TARIFFS LISTED BELOW ARE VALID FROM 1 JULY 2014									
	PROPERTY CATEGORY									
1	RESIDENTIAL AND STATE OWNED RESIDENTIAL PROPERTIES									
1.1	Residential improved properties (Amount in Cents per rand)	1:1	R 0.012120				R 0.013332			
a.	In addition to the impermissible rate of R15 000.00 as referred to in section 17[1] of			R 15,000.00				R 15,000.00		
	the Act a further reduction on the market value of the property will be granted.			R 60,000.00				R 135,000.00		
b.	The Municipality grants an additional rebate to all developed									
	residential properties				46.50%				35%	
1.2	Property that is vacant (empty stands) with zoning / proposed use earmarked for residential	1:1	R 0.012120				R 0.013332			
	based on the criteria stipulated in the Rates Policy									
a.	In addition to the impermissible rate of R15 000.00 as referred to in section 17[1] of			R 15,000.00				R 15,000.00		
	the Act a further reduction on the market value of the property will be granted.			R 60,000.00				R 135,000.00		
2	BUSINESSES AND STATE OWNED BUSINESSES (amount in Cents per rand)									
2.1	Business or Commercial (including accommodation establishments)	1:1	R 0.012120				R 0.013332			
2.2	Industrial	1:1	R 0.012120				R 0.013332			
a.	That the maximum levy be capped at		R 148,000				R 162,800			
2.3	Property that is vacant (empty stands) with zoning / proposed use earmarked for Industrial, Business or Commercial use	1:1	R 0.012120				R 0.013332			
3	MINING (Amount in Cents per rand)	1:2	R 0.024440				R 0.026884			
4	FARM PROPERTIES / SMALL HOLDINGS / AGRICULTURAL HOLDINGS, INCLUDING STATE OWNED									
4.1	Residential purposes (properties smaller than 16 Ha)	1:0.25	R 0.003030				R 0.003333			
4.2	Used for agricultural purposes (properties larger than 16 Ha)	1:0.1312	R 0.001590				R 0.001749			
4.3	Used for other commercial, business or industrial purposes	1:1	R 0.012120				R 0.013332			
4.4	Used for other commercial, business or industrial purposes	1:1	R 0.012120				R 0.013332			
4.4	Used for other purposes (properties smaller than 16 ha)	1:1	R 0.012120				R 0.013332			
4.5	Used for other purposes (properties larger than 16 ha)	1:1	R 0.012120				R 0.013332			
5	MUNICIPAL PROPERTIES					100%				100%
6	PUBLIC SERVICE INFRASTRUCTURE					100%				100%
7	PRIVATELY OWNED SCHOOLS	1:1	R 0.012120				R 0.013332			
a.	Rebate based on application				50%				50%	
8	PRIVATELY OWNED HOSPITALS	1:1	R 0.012120				R 0.013332			
9	PRIVATELY OWNED SPORTS GROUNDS	1:1	R 0.012120				R 0.013332			
10	PRIVATE OPEN SPACE	1:1	R 0.012120				R 0.013332			

MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/14

ITEM	DESCRIPTION PROPERTY RATES	RATIO TO RES PROPERTIES	2013/2014	REDUCTION R VALUE	REBATE %	EXEMPTION %	2014/2015	REDUCTION R VALUE	REBATE %	EXEMPTION %
11	OLD AGE INSTITUTIONS REGISTERED AT THE DEPARTMENT OF WELFARE	1:1	R 0.012120				R 0.013332			
a.	Rebate based on application				85%				85%	
12	STATE TRUST LAND	1:1	R 0.012120				R 0.013332			
13	PROPERTY ACQUIRED THROUGH THE PROVISION OF LAND AND ASSISTANCE ACT OR THE RESTITUTION OF LAND RIGHTS ACT AND LAND WHICH IS SUBJECT TO THE COMMUNAL PROPERTY ASSOCIATIONS ACT (Refer Par 7.2.17 of the Property Rates Policy)					100%				100%
a.	Within the first 10 years						R 0.003333			
b.	After the first 10 years have lapsed	1:0.25	R 0.003030							
						100%				100%
14	PROTECTED AREAS AND PROPERTIES ON WHICH NATIONAL MONUMENTS ARE SITUATED									
						100%				100%
15	PUBLIC BENEFIT ORGANISATIONS									
		1:0.25	R 0.003030				R 0.003333			
16	SERVITUDES									
17	LED CATALYTIC DEVELOPMENTS									
a	Property owners providing catalytic developments to further the Municipality's Local Economic Development Goals (business / industrial properties)	1:0.25	R 0.003030				R 0.003333			
b	Property owners providing catalytic developments to further the Municipality's Local Economic Development Goals (housing projects)	1:0.25	R 0.003030				R 0.003333			
18	REBATES ARE GRANTED TO THE CATEGORIES OF OWNERS LISTED BELOW (APPLICATION BASED):									
					100%				100%	
a.	Approved Indigents - for property values up to R500 000									
b.	Residential property owners who are over 60 years of age, who are both the permanent occupants and the sole owners of the property concerned whose aggregate household income do not exceed two state pensions per month				100%				100%	
c.	Residential property owners who are over 60 years of age, who are both the permanent occupants and the sole owners of the property concerned whose aggregate household income do not exceed R4 500 per month				50%				50%	
d.	Place of worshop including vicarage				100%				100%	
e.	Property owners providing									
f.	Owners of farm properties with full time farm workers (refer par 11.1.9.3 of the Property Rates Policy)				Max 10%				Max 10%	

MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/14

MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/14

MIDVAAL LOCAL MUNICIPALITY

ANNEXURE "D"

Determination of Charges
Payable for Electricity
July 2014 to Jun 2015
Tariff of Charges in Red

PART I: SUPPLY OF ELECTRICITY

1. BASIC CHARGES

1.1 Except as provided in 1.2 the following basic charge per month or part thereof, shall be payable monthly by the owner, per erf or other area and per meter, with or without improvements, which is or, in the opinion of the Council, can be connected to the network, whether electricity is consumed or not.

1.1.1 Erven used or intended to be used for individual residential or religious purposes, per erf and per meter where more than one meter per erf:
a) Single phase supplies:(EBE821)
R 87.34 R93.80 7.39%
b) Three phase supplies:
(EBE825) **R180.38 R193.71 7.39%**

1.1.2 Erven used or intended to be used for flats, businesses, industries or other purposes of which the anticipated maximum demand is less than 100kVA, per erf and per meter where more than one meter per erf:
(EBE811) (EBE841) (RV 0304)
R411.46 R441.87 7.39%

1.1.3 Erven used or intended to be used for flats, businesses, industries or other purposes of which the anticipated maximum demand is at least 100kVA:
(EBE812) **R1430.54 R1536.25 7.39%**

1.1.4 Flats and town houses individually metered by Council, per dwelling unit:
(EBE813) **R69.72 R74.87 7.39%**

1.1.5 Agricultural consumers, per supply point:
a) Single phase supplies (EBE831)
R102.17 R109.73 7,39%
b) Three phase supplies
(EBE832) **R 280.22 R300.93**

1.1.6 Every other erf or piece of land used or intended to be used for purposes not mentioned in 1.1.1 to 1.1.5:
(EBExxx) **R510.07 R547.76 7.39%**

1.2 Exclusions

The charge as set out in sub item 1.1 shall not be payable by the following consumers:

1.2.1 Township owners in respect of an erf or other areas where such township owner

has made an interest-free loan to the Council for the construction of an electricity supply scheme, until such erf or other area is sold or building plans in respect thereof are approved in terms of the Council's Building By-laws, or the economical portion of the loan has been repaid by the Council to the township owner..

2. DOMESTIC SUPPLIES (Conventional & Prepay meters)

2.1 Consumer falling within the following classifications shall pay for the electricity supplies to them on the basis set out below:
Regardless of the meter-reading period, an energy charge for the consumption of electricity, since the previous meter reading, per kWh:

BASIC CHARGES

a) Single phase supplies:
(EBE821) **R87.34 R93.80 7.39%** per meter per month
b)Three phase supplies:
(EBE825) **R180.38 R193.71 7.39%**
per meter per month
The above basic charge will not apply to registered indigents

2.1.1 Private residences, each flat or town house where it is separately metered by council and used as such. EEL051

Block Units	Cost/Unit
0 to 50	**69.63c 74.00c 6.28%**
51 to 350	**87.33c 93.00c 6.50%**
351 to 600	**122.88c 132.00c 7.39%**
Above 600	**144.48c 155.20c 7.39%**

2.1.2 Flats and Town Houses (where consumption for each Flat or Town House complex is metered on a single meter for the complex by Council).
(EEL060) **127.12c 136.5c 7.39%** per unit

BASIC CHARGES

For complex: **R411.46 R441.86 7.39%** per meter per month if the maximum demand is less that 100 kVa
If the maximum demand is a 100kVa and above the Non-Domestic Supplies tariffs will apply

2.1.3 Charitable institutions, supported by voluntary subscriptions or contributions.
EEL047 per unit **121.17c 130.10c 7.39%**

BASIC CHARGES

For complex: **R411.46 R441.86 7.39%** per meter per month if the maximum demand is less that 100 kVa

If the maximum demand is a 100kVa and above the Non-Domestic Supplies tariffs will apply

2.1.4 Provincial hospitals.
EEL048 per unit **121.17c 130.10c 7.39%**
BASIC CHARGES
For complex: **R411.46 R441.86 7.39%**
per meter per month if the maximum demand is less that 100 kVa
If the maximum demand is a 100kVa and above the Non-Domestic Supplies tariffs will apply

2.1.5 Churches and church halls.
EEL049 per unit **121.17c 130.10c 7.39%**
BASIC CHARGES
For complex: **R411.46 R441.86 7.39%** per meter per month if the maximum demand is less that 100 kVa

3. NON-DOMESTIC SUPPLIES

3.1 Consumers within the following general classifications shall pay for electricity on the basis set out in 3.2:

3.1.1 Businesses EEL052

3.1.2 Industries

3.1.3 Nursing homes, private hospitals, hotels and boarding houses.

3.1.4 Recreation halls, clubs, schools and hostels.

3.1.5 Mixed loads for domestic and non-domestic purposes.

3.1.6 All purposes not expressly specified in item 2 or in 3.1.1 to 3.1.5

3.2 Regardless of the meter-reading period, an energy charge for the consumption of electricity, since the previous meter reading, per kWh and where the maximum demand is less than 100kVa.
EEL028) (EEL052) (VA0462) (EEL069) (VA0052) (WA0442) per unit **127.22c 136.60c 7.39%**
BASIC CHARGES
Per meter: **R411.46 R441.86** per month

Provided that if the notified or registered maximum demand exceeds 100kVA, the charge shall be calculated in terms of 3.3.

3.2.1 This tariff provides for existing commercial pre-paid consumers who have paid all the relevant connection or transfer fees for the electrical connection (service cable, electricity meter, ready board etcetera) and where basic charges are levied.
60 Amp Connection - Cost per kWh
(EEL028) **127.22c 136.60c 7.39%**
BASIC CHARGES
Per meter: **R411.46 R441.86 7.39%** per month

3.3 Where the notified maximum demand is at least 100kVA, the charges for electricity consumed shall be calculated in accordance with the provisions of a two-part tariff based upon metered demand and energy as set out in 3.3.1 and 3.3.2.

Regardless of the meter-reading period, the following charges shall be levied for the consumption of electricity where the electricity is supplied or made available at a separate point of supply, per month or part thereof:
BASIC CHARGES
Per meter: **R1430.54 R1536.25 7.39%**
per month

3.3.1 A kVA demand charge:

(a) Low Voltage Demand. When the supply is furnished at the nominal voltage of 400 volts between phases, per kVA:
(EEL041) **R91.00 R97.73 7.39%**
(WA0444)

(b) Med Medium Voltage Demand. When the supply is furnished at a nominal phase to phase voltage of 11 000 volts, per kVA: (EEL042) **R89.00 R95.58 7.39%**

3.3.2 Regardless of the meter-reading period, an energy charge for the consumption of electricity, since the previous meter reading, per kWh:
(EEL061) **91c 97.70c 7.39%**
(EEL062)

4. TIME-OF-USE SUPPLIES

4.1 Midvaal Off-peak Tariff

Where the monthly maximum demand exceeds 25 kVA and the consumer requests that an off-peak tariff be applied, the following charges will apply:

4.1.1 Regardless of the meter-reading period, the following charges shall be levied for the consumption of electricity where the electricity is supplied or made available at a separate point of supply, per month or part thereof:
BASIC CHARGES
Per meter: **R668.49 R717.89 7.39%** per month

4.1.2 A demand charge, per kVA (Registered between 07:00 and 21:00)

(a) Low Voltage Demand: When the supply is furnished at the nominal voltage of 400 volts between phases, per kVA:
(EEL065) **R196.84 R211.38 7.39%**

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(b) Medium Voltage Demand: When the supply is furnished at a nominal phase to phase voltage of 11 000 volts.
(EEL066) **R187.40 R201.25 7.39%**

4.1.3 Regardless of the meter-reading period, an energy charge for the consumption of electricity, since the previous meter reading, per kWh:
(EEL---) **57.10c 61.30c 7.39%**

4.2 Midvaal Megaflex tariff

This tariff is available to consumers who can shift their load to defined time periods and of whom the monthly maximum demand is at least 1 MW and will not be applicable to supplies being fed from rural networks.

The charges will be as follows:

BASIC CHARGES

Per meter: **R223.46 R239.97 7.39%** per month

4.2.1 Summer period (September to May)

(a)Peak hours, peak kWh
(ELE081) **136.96c 147.10c 7.39%**
(b)Standard hours, per kWh:
(ELE082) **56.03c 60.20c 7.39%**
(c) Off peak hours, per kWh:
(ELE083) **43.84c 47.10 7.39%**
(d) Maximum demand charge, per kVA:
(ELE---) **R58.12 R62.42 7.39%**
(30 minute integrating period)

4.2.3 Winter period: (June, July and August)

(a) Peak hours, per kWh: (ELE085)
211.55c 227.20c 7.39%
(b) Standard hours, per kWh:
(ELE086) **83.86c 90.10c 7.39%**
(c) Off peak hours, per kWh:
(ELE087) **49.01c 52.60c 7.39%**
(d) Maximum demand charge, per kVA:
(ELE088) **R58.12 R62.42 7.39%**
(30 minute integrating period)

4.2.4 Reactive energy charge, per kVArh:
(ELE089) **17.18c 18.50c 7.38%**

For all kVArh supplied in access of **30%** of kWh recorded during peak and standard periods. The excess reactive energy is determined per 30 minute integrating period.

4.3 Midvaal Miniflex Tariff

This tariff is available to consumers who can shift their load to defined periods and of whom the monthly maximum demand is between 100kVA and 5 000kVA.

The charges are as follows:

BASIC CHARGES

Per meter: **R257.38 R276.40 7.39%** per month

4.3.1 Summer period (September to May)
(a) Peak hours, per kWh:
(ELE091) **151.80c 163.00c 7.39%**
(b) Standard hours, per kWh:
(ELE092) **71.20c 76.50c 7.39%**
(c) Off Peak hours, per kWh:
(ELE093) **40.99c 44.00c 7.39%**

4.3.2 Winter period (June, July and August)

(a) Peak hours, per kWh:
(ELE094) **318.69c 342.20c 7.39c**
(b) Standard hours, per kWh:
(ELE095) **99.91c 107.30 7.39%**
(c) Off Peak hours, per kWh:
(ELE096) **48.64c 52.20c 7.39%**

4.3.3 Reactive energy charge: per kVArh:
(ELE097) **8.32c 8.90c 7.39%**

Supplied in excess of 30% (0,96PF) of the kWh recorded during the entire billing period. The excess reactive energy is determined using the billing period totals.

4.4 Conversion surcharge

When a consumer elects to change from the Non Domestic tariff to either the Megaflex or Miniflex tariff the actual savings achieved and paid over to the consumer will be handled as follows:

PERIOD	% TO CONSUMER	% RETAINED BY COUNCIL
Year 1	10%	90%
Year 2	28%	72%
Year 3	46%	54&
Year 4	64&	36%
Year 5	82%	18%

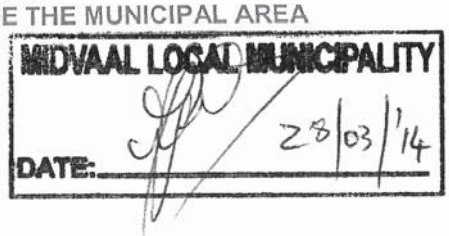
5. GENERAL LIGHTING AND ITINERANT SUPPLIES

In the case of itinerant consumers such as circuses, merry-go-rounds, amusement parks and persons carrying on construction work or for general lighting, the charges payable per month or part thereof shall be as follows:

5.1 Fixed charge for availability of supply, whether taken or not:
(EEL---) **R725.60 R779.22 7.39%**

5.2 Regardless of the meter-reading period, an energy charge for the consumption of electricity, since the previous meter reading, per kWh:
(EEL055) **223.88c 240.40c 7.39%**

6. ELECTRICITY SUPPLIES TO CONSUMERS OUTSIDE THE MUNICIPAL AREA



Electricity supply to consumers outside the municipality where supply is available from the Council's main network shall be charged at the applicable tariff.
(EEL056) Agri

7. AGRICULTURAL SUPPLIES

7.1 Standard

This tariffs is applicable to consumers of electricity for agricultural purposes on farms and agricultural land within the municipal area, and the following charges will apply:

Regardless of the meter-reading period, an energy charge for the consumption of electricity, since the previous meter reading, per kWh:
(EEL057) (EEL056) **137.52c 147.70c 7.39%**

BASIC CHARGE

a) Single phase supplies
(EBE831) **R102.17 109.73c 7.39%** per meter per month
b) Three phase supplies
(EBE832) **R280.22 R300.93 7.39%** per meter per month

Where monthly consumption of energy exceeds 10 000 kWh per month, the provisions of item 3.2 and 3.3 shall apply.

7.2 Nite Save

For all consumers with 20 hectare or more under irrigation, with written approval from Council, the following tariffs shall apply:

BASIC CHARGE

a) Single phase supplies
(EBE831) **R102.17 R109.73 7.39%** per meter per month
b) Three phase supplies
(EBE832) **R280.22 R300.93 7.39%** per meter per month

7.2.1 For all electricity consumed between 07:00 and 21:00 during weekdays, an energy charge, per kWh:
(EEL---) **137.52c 147.70c 7.39%**

7.2.2 For all electricity consumed between 21:00 and 07:00 during weekdays, over weekends and during Megaflex public holidays, per kWh:
(EEL---) **62.13c 66.70c 7.39%**

8. BULK SUPPLIES

Demand of at least 2000kVA
The tariffs contained in this item are only applicable to major bulk consumers, that is consumers with a maximum demand figure of at least 2 000 kVA and who contribute pro rata (maximum demand of consumer divided by the total maximum demand of all consumers who will be supplied from the main substation) to the capital outlay expenditure in respect of the main substation and main supply cables.
Regardless of the meter-reading period, the following charges shall be levied for the consumption of electricity where the electricity is supplied or made available at a separate point of supply, per month or part thereof:

BASIC CHARGE
Per meter: **R1430.54 R1536.25 7.39%** per month

8.1 A kVA demand charge

(a) Low Voltage Demand. When the supply is furnished at the nominal voltage of 400 volts between phases, per kVA:
(EEL071) **R91.00 R97.73**

(b) Medium Voltage Demand. When the supply is furnished at a nominal phase to phase voltage of 11 000 volts, per kVA:
(EEL074) **R89.00 R95.58 7.39%**

8.2 Regardless of the meter-reading period, an energy charge for the consumption of electricity, since the previous meter reading, per kWh:
(EEL076) **91c 97.70c 7.39**

8.3 Where a developer develops an area for business purposes and do not use electricity, a Notified Maximum Demand charge on the unused capacity for which the Council have pay Eskom, to secure capacity for the development be will be payable by the developer until the notified capacity have been utilised at an amount of **R17.62 R18.93 7.39%** per kVA

Demand of at least 5000kVA and is located in the Graceview Supply area
Customers locating in the Graceview supply area and uses more than 5000kVa and a load factor of 75% and beter will be charge for actual electricity consumed at the ESKOM 11kV Megaflex Key Customer tariff as if supplied directly by ESKOM plus 15% surcharge. The tariffs will be updated as and when the Eskom tariffs change.

9. HEINEKEN BREWERY

Heineken brewery will be charge for actual electricity consumed at the ESKOM 11kV Megaflex Key Customer tariff as if supplied directly by ESKOM. The tariffs will be updated as and when the Eskom tariffs change.

No additional charge will be levied in respect of the bulk electricity supply infrastructure already paid for by Heineken.

10. MUNICIPAL SUPPLIES

Regardless of the meter-reading period, an energy charge for the consumption of electricity, since the previous meter reading, per kWh:

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(EEL059) **88.50c 95.00c 7.39%**
VA0461
WA0442

11. VALUE ADDED TAX

The tariffs in Part I are subject to VAT.

All previous Determinations of Tariffs for the supply of Electricity are substituted by this determination.

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PART II: GENERAL CHARGES

1. RECONNECTION / DISCONNECTION OF ELECTRICITY SUPPLY

1.1 The following charges shall be payable where a consumer fails to pay his account on or before the due date and where the Council has already incurred expenditure to collect the amount due:

1.1.1 During office hours: **R402.00 R426.22 6%**
1.1.1 After hours: **R482.00 R510 33 6%**

1.2 When a warning is issued to a consumer in connection with arrear electricity charges before any steps have been taken by the Council to collect the due amount in terms section 11(1) of the Council's Electricity Bylaws, the applicable tariff according to the Council's tariff for the issuing of certificates and information will be applied:

For each warning issued:**R90.00 R96.00 6%**

2. METER-READING

For a meter-reading at any time other than that set aside by the Council for that purpose, per reading: **R98.00 R104.00 6%**

3. TESTING AND INSPECTIONS

Meters will be tested upon requests by the consumers after payment of the following fees:

3.1 Single phase meters: **R410.00 R435.00 6%**

3.2 Three phase meters:

3.2.1 **R642.00 R680.00 6%** for electromechanical meters.

3.2.2 Actual cost plus 10% administrative fee for electronic and programmable type of meters.

3.3 For the initial inspection and testing of an installation: **Free of charge**

3.4 For any subsequent inspection and testing where the installation failed to pass the initial test or was not ready for the initial test, for each inspection and test: **R372.00 R395.00 6%**

4. COMPLAINTS

Where an employee of the Council is called to a consumer's premises to attend to a complaint of failure of light or power, no charge shall be made if the Council's equipment is found to be faulty, but if the defect has been caused by a fault in the consumer's equipment for which the Council is not responsible, the following charges will be made:

4.1 Residential: **R385.00 R408.00**

4.2 Business and industrial:**R513.00 R544.00 6%**

4.3 Where material such as fuses, etc, has to be replaced, the full cost thereof plus 10% will be for the account of the consumer.

5. SERVICE CONNECTIONS

5.1 The owner of the premises concerned shall make application for the installation or reinstatement of a service connection in a form prescribed by the engineer.

5.2 A service connection shall be installed at the expense of the owner and the cost thereof as determined by the Council's Engineer shall be paid to the Council before supply is authorised.

5.3 Every part of the service connection shall remain the property of the Council.

5.4 Notwithstanding the fact that the service connection to an approved electrical installation may already have been completed, the Council may in its absolute discretion refuse to supply electricity to that installation until all amounts due to the Council by the same consumer in respect of that or any other service connection, whether or not on the same premises, have been paid.

5.5 No owner shall be entitled to require more than one service connection for a supply to any premises even if it comprises or occupies more than one stand. The engineer may, however, subject to such conditions as he thinks fit to impose upon the owner, provide more than one service connection to a premise and where more than one service connection is so provided, it shall be unlawful to interconnect them.

5.6 The applicant for a service connection shall, before work on his installation is commenced, furnish the Council with such indemnity as it may specify.

5.7 The engineer may, notwithstanding any indemnity given in terms of paragraph 5.6 refuse to install a service connection until he is satisfied that no person is entitled to object to such installation.

5.8 The levy for all connections includes the cost to the consumer of all material, meters, equipment, transport and labour which, to the reasonable estimate of the Council's Engineer, will be required to establish the connection plus an amount of **10%** of such costs for administrative fees.

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6. BULK SUPPLY CONTRIBUTIONS

6.1 Erf quota

Erf quota is defined as the authorised maximum demand (AMD) of each individual erf.

Housing units in a group development will only be allowed a 20 Amp circuit breaker, if a larger capacity circuit breaker is required, a recalculation of the extra capacity above the 20 Amp capacities needed at a rate of R2560-00 per 5 Amp, will be done and the developer will have to pay the extra amount, before the connection will be made.
The above also apply after completion of a project and the consumer within the development request an increase in capacity.

Note: Over and above the bulk contribution the developer must pay the connection fees as applicable for the particular application

Housing units must incorporate alternative energy technology to be able keep the load within the 20 Amp limitations.

AMD = ZMD x N x C

Where AMD = Authorised maximum demand
ZMD = Zoned maximum demand (13.8 kVa)
N = Number of housing units
C = Housing factor according to the table below

6.1.1

The ZMD is determined by the Town-planning Scheme and is as follows:

(i) Residential 1,or Special and Undetermined, for a specific use which, in the opinion of the Executive Director: Engineering Services, is in accordance with Residential, on which only one or, dwelling-units per erf, may be erected; **13.8 kVA per potential dwelling**

(ii) Multiple Residential, Residential 2 or Special and Undetermined, for a specific use which, in the opinion of the Executive Director: Engineering Services, is in accordance with Multiple Residential; **13.8 kVA per potential dwelling**

For blocks or groups of housing units:

1 unit	= 1,00
2 units	= 0,72
3 units	= 0.62
4 units	= 0.57
5 units	= 0,53
6 to 10 units	= 0,50
11 to 20 units	= 0.48
21 to 30 units	= 0,47
31 to 40 units	= 0.46
41 to 50 units	= 0.45
More than 50 units	= 0.40

The final rating and the provision of a single connection point will be at the discretion of the Executive Director: Engineering Services.

(iii) Business or Special and Undetermined, for a specific use which, in the opinion of the Executive Director: Engineering Services, is in accordance with Business; **7.0 kVA per 100 m² of potential floor area.**

(iv) Industrial and Light Industrial or Special and Undetermined, for a specific use which, in the opinion of the Executive Director: Engineering Services, is in accordance with Industrial and Light Industrial; **2.5 kVA per 100 m² of potential floor area**

(v) Agricultural or Special and Undetermined, for a specific use which, in the opinion of the Executive Director: Engineering Services, is in accordance with Agricultural; **13.8 kVA per erf**

(vi) Any other use not referred to in (i), (ii), (iii), (iv) or (v) above: **0 kVA per erf**

6.2 Quota charges

6.2.1 General

The scales of the tariff for the supply of electricity as detailed in the Schedule: Supply of Electricity Part I are based on the costs associated with the provision of the supply to the various groups of consumers in the normal electrically developed areas within the Midvaal electricity supply area.

Where the supply needs to be provided to new premises or groups of premises or where an existing consumer applies for an increased supply, the cost of extending the distribution and reticulation networks within the Municipality that is not recovered from the tariff for the supply of electricity as set out in the Schedule: Supply of Electricity Part I must be paid by the developer/consumer as external engineering services.

The developer of a township must provide for and install the full quota allocated per erf for which an application has been made in respect of the distribution and reticulation systems. If the distribution and reticulation systems are not fully installed, the developer must compensate the Municipality for the difference between the allocated quota and the set quota at the prevailing quota charge. This is deemed to be contributions for external engineering services. The existing quota of the property prior to the latest application for development is used as a credit in the calculation. This quota is calculated in the same way as mentioned above.

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6.2.2 Determining charges

The quota charge is finally determined by the actual level at which the development connects to the supply system. The charge is calculated as follows:

Q = ADM xC

Where

Q = Quota charge payable in rand
C = Contribution per kVA at connection level as indicated in 6.2.3 below

6.2.3 Contributions

The quota charges, which does not include the connection cost, must be such as to cover the possible existing or future capital liabilities incurred or to be incurred by the Municipality in supplying the distribution and/or reticulation network to increase the quota to the premises or group of premises. The contributions per kVA at the different connection levels are as follows: (If in a particular development the contribution will not cover the infrastructure to be installed the Director: Electrical will determine the cost, which will be payable by the developer)

(i) Low-voltage connections

(a) For connections made at a the municipal metering cubicle/distribution kiosk, per kVA: **R2134.00 R2348.00 10%**

(b) For connections made to the low-voltage distribution network, per kVA **R1982.00 R2180.00 10%**

(c) For connections made to the low voltage busbars within miniature and communal substations, as well as to the outgoing terminals of the 11 000/400V transformer on rural lines, per kVA: **R1800.00 R1904.00 6%**

(ii) Medium-voltage connections

For connections made at the 11kV distribution network:

(a) Taken from the 11kV distribution network, per kVA: **R1610.00 R1706.00 6%**

(b) Taken directly from the 11kV switchgear of a satellite- or 88kV substation, per kVA: **R1410.00 R1496.00 6%**

(c) Taken directly from the 11kV switchgear of a 88kV substation where the developer provides the satellite substation, per kVA: **R1285.00 R1360.00 6%**

Note:

In instances where township owners/developers have already paid a quota charge during township establishment, or where a quota charge was paid at the time of scheme amendments, subdivision or consent use, a quota charge is payable for every kVA by which the notified maximum demand indicated by the end consumer or his or her authorized representative exceeds the allocated quota which has already been paid for.

Once payment, calculated at the applicable connection level, has been received, this notified maximum demand will then become the new AMD of the erf,

7. NETWORK FEASABILITY LOAD STUDY

For all subdivisions or developments where such a development has, to the reasonable discression of the Executive Director: Engineering Services, an impact on the electrical network, the applicant will have to obtain at his cost a feasibility report from Council's Electrical consultants regarding the impact of the development on the overall network.

8. TESTING OF CABLES, SWITCHGEAR, ETC

Cables, switchgear, etc, will be tested upon request from a consumer at a fee of **R1155.00 R1224.00 6%** for the first two hours or part thereof and a further amount of **R577.00 R612.00 6%** per hour or part thereof for each additional hour that the Council's employee spends in testing the equipment.

9. DEPOSITS

The following deposits shall be payable when application for a connection is made:

9.1 The Government of the Republic of South African (including the Gauteng Provincial Administration and the South African Transport Services) or any other class of consumer approved by the Council : no deposit.

9.2 Consumers above 30 000 kVA : a deposit based on a half of one month's consumption.

9.3 Consumers above 10 000 kVA but under 30 000 kVA **a deposit based on one and a half month's consumption.**

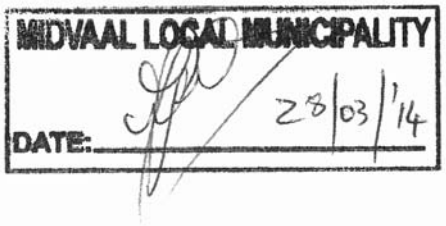
9.4 Consumers above 6 000 kVA but under 10 000 kVA: **a deposit based on two month's consumption**.

9.5 Consumers of dwellings and town houses (excluding users with pre-paid meters): an initial deposit of **R1795.00 R1904.00 6%** , which amount, if insufficient, shall be increased to the

average consumption of three months after the consumption of three months has been determined.

9.6 Consumers of flats (excluding users with pre-paid meters) an initial deposit of **R1155.00 R1224.00 6%**, which amount, if insufficient, shall be increased to the average consumption of three months after the consumption of three months has been determined.

9.7 Other consumers (excluding users with pre-paid meters) : a deposit based on the consumption of three consecutive months : Provided that the deposit of a consumer who has obtained a connection before 19 October 1983 as well as a consumer who is the owner of the building and whose supply has not been disconnected because of non-payment, or has not appeared on the disconnection list or has not appeared on the warning list for two consecutive months, shall be based on the consumption of two consecutive months.



10. INTEREST ON ARREAR ACCOUNTS

Interest at the rate of Prime plus two percent will be levied on all outstanding electricity accounts.

11. CONVERSION CHARGES FROM CONVENTIONAL METER TO PREPAID METERS

The following charges shall be payable where a consumer opts to replace an existing credit meter connection with a pre-payment meter and purchase the meter directly from a supplier. The consumer must appoint an accredited contractor to do the necessary alterations and preparation for the conversion.

Pre-paid meter installation and admin cost
Administration costs: **R350.00 R394.00**

12. VALLUE ADDED TAX

The tariffs in Part II are subject to VAT

All previous Determinations of Tariffs for the supply of Electricity are substituted by this determination.

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ITEM	DESCRIPTION WATER	2013/2014 [R] VAT EXCL	2014/2015 [R] VAT EXCL

THE TARIFFS LISTED BELOW ARE VALID FROM 1 JULY 2014

1. DEFINITIONS

For the purposes of this tariffs, "month" means a calender month or a period between two consecutive readings of the meter, providing that the period shall not be less than 10 days. No minimum charges shall be levied in respect of meter reading covering a period of less than 15 days. Provided that, except with the consent or at the request of the consumer, not more than 12 readings shall be taken within a period of one calender year in respect of the same meter.

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2. BASIC CHARGES

(2.1) Except as provided in sub-item 2, the following basic charges per month or part thereof shall be payable by the owner per erf, stand, lot or other area, with or without improvements, which is, or in the opinion of the Council, can be connected to the main, whether water is consumed or not.

(a)	Erven used or intended for purposes set out in item 3(1)	38.00	**41.80**
(b)	Erven used or intended for purposes of flats and multi-family dwellings, per erf	128.00	**0.00** **140.80**
(c)	Erven used or intended for purposes set out in item 3(3)	38.00	**41.80**
(d)	Erven used or intended for purposes set out in item 3(4)	114.00	**125.40**
(e)	Erven used or intended for purposes set out in item 3(5)	114.00	**125.40**
(f)	Agricultural Holdings	38.00	**41.80**
(g)	Erven used or intended for purposes set out above	114.00	**125.40**
(h)	Approved Indigents	0.00	**0.00**

(2.2) The charge set out in sub item (1) shall not be payable by a township owner in respect of an erf, stand, holding or other area of which the water supply scheme has been constructed by himself at his own expense until such erf, stand, holding or other area has been transferred or until building plans are approved by the Council on such area

(2.3) The charge set out sub-item (1) shall be payable by the owner or occupier (where liability shall be joint or several) of such erf, stand, premises or other area

3. CHARGES FOR THE SUPPLY OF WATER

(3.1) Domestic (private residences) per kl, per month

(a)	Randvaal, Walkerville, De Deur, Eikenhof, Teddersfield		
	0 - 6 kl	0.00	**0.00**
	7 - 20 kl	20.00	**22.00**
	21 - 50 kl	13.70	**15.07**
	51 kl +	18.00	**19.80**
(b)	Meyerton, Risiville		
	0 - 6 kl	0.00	**0.00**
	7 - 20 kl	20.00	**22.00**
	21 - 50 kl	13.70	**15.07**
	51 kl +	18.00	**19.80**

(c)	Vaal Marina		
	0 - 30 kl	10.55	11.61
	31 kl +	15.00	16.50
(i)	Provided that where an erf is sub-divided into more than one residential portion, each of which has a separate entrance, each portion shall be metered separately		
(ii)	Provided that where a private residence is put to more than one use, the highest tariff in respect of such different uses shall apply, unless the portions put to such different uses have been provided with separate meters.		
(3.2)	Flats and multi-family dwellings, if each dwelling is not separately metered, per kl or part thereof		
(a)	Meyerton, Risiville, Randvaal, De Deur, Walkerville	13.70	15.07
(b)	Vaal Marina	10.55	11.61
(3.3)	Charitable institutions, churches, church halls, social, athletic and sports clubs, public hospitals, schools and school hostels, except race courses, sports grounds or halls used for profit, per kl or part thereof	13.70	15.07
(3.4)	Shops, offices, banks, garages, tearooms, butcheries, bakeries, laundries, restaurants, hotels, private hostels, boarding houses, lodging-houses, industrial compounds, married and single quarters (if supplied through one meter), race courses, sport grounds or halls used for profit, theatres, workshops and temporary supplies per kl or part thereof.	16.10	17.71
(3.5)	The water supplied to any manufacturing or industrial concern which enters into an agreement with the Council to pay a minimum of 100 kl per month for a specified period of at least 3 months, irrespective of whether this quantity of water is used or not, shall be charged for as follows during the period covered by the agreement.		
(a)	Per kl or part thereof for the first 25 000 kl	16.10	17.71
(b)	Per kl or part thereof exceeding 25 000 kl	9.00	9.90
(3.6)	Breweries - Randwater purchase price + R0.025 per kl		
(3.7)	Informal settlements where water is supplied by a pre-paid stand pipe per kl or part thereof	0.00	0.00
(3.8)	For any quantity of non-potable (grey) water supply to consumers per kl or part thereof	16.10	17.71
(3.9)	For any quantity of non-potable (grey) water supply to consumers in areas outside the municipality the same rate as (8) plus 25%.		
(3.10)	Charges for the supply of water to municipal departments shall be levied at an estimated cost and shall be determined by the City Treasurer annually after the estimates have been approved by the Council		
4.	**CHARGES FOR CONNECTING WATER SUPPLY**		
(4.1)	For the reconnection/disconnection of the water supply which has been cut off. From 07:30 - 16:00	375	413

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(4.2)	For the supply and laying of the following connection pipe and installation of the meter including connecting the supply per contractor		
	20 mm	2,000	**2,200**
	25 mm	2,850	**3,135**
	50 mm	9,475	**10,423**
	80 mm	13,500	**14,850**
	100 mm	17,600	**19,360**
(4.3)	Fire and other connections not specified herein. Estimated average costs as determined by the ED: Engineering Services plus 15%. Such costs shall be certified by the ED: Engineering Services and such certificate shall be prima facie evidence of the correctness thereof.		
(4.4)	Prepaid Connection Costs for a new connection	5,000	**5,500**
5.	**CHARGES IN CONNECTION WITH METERS**		
(5.1)	For a special or unnecessary duplication reading of a meter	155	**171**
(5.2)	For the moving of the same line or removal at the request of a consumer per household meter supplied by the Council	1,000	**1,100**
(5.3)	For the moving on the same line or removal at the request of a consumer, any household meter supplied by the Council the cost of labour and material plus 15 %		
(5.4)	For the testing of a meter up to and including 25 mm supplied by the Council, in cases where it is found that the meter does not show an error of more than 5% either way Contractor's fee plus 15%		
(5.5)	For the testing of meters of sizes 40 - 150 mm supplied by the Council, in cases where it is found that the meter does not show an error of more than 5% either way Contractor's fee plus 15%		
(5.6)	For the testing of a private meter of sizes 15/20/25 mm	750	**825**
(5.7)	For the testing of private meters of all sizes over 25 mm and for any special test, the contractor's fee + 15%		
(5.8)	Rental per portable meter per mont or part thereof	120	**144**
(5.9)	Refundable deposit per portable meter	3,900	**4,680**
6.	**DEPOSITS**		
	The following initial deposits shall be payable when application for delivering of water to a premise is made:		
(6.1)	For flats, dwellings and town houses (excluding users with prepaid meters) which amount if insufficient, shall be increased to the average consumption of three months after the consumption of three months has been determined.	800	**880**
(6.2)	For businesses/industries (excluding users with prepaid meters) which amount if insufficient, shall be increased to the average consumption of three months after the consumption of three months has been determined.	3,000	**3,300**

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(6.3)	All other consumers (excluding users with prepaid meters) which amount if insufficient, shall be increased to the average consumption of three months after the consumption of three months has been determined.	800	**880**

7. GENERAL

(7.1) Composite supplies: Where a supply is taken for various uses through one meter, the highest relevant tariff shall apply to the whole of the consumption. If the supply is arranged so that each type of consumer is separately metered, the relevant tariff applicable to each shall be charged.

(7.2) For the purposes of the charges payable in terms of item 3, meter readings shall be taken in gallons where necessary and converted to kl on the basis of 220 gallons being equal to 1 kl.

(7.3)	Where the Council is called out to private premises to attend to a complaint regarding a leakage in the Council's water system and it is found that the leakage is in the water system within the premises for which the Council is not responsible.	350	**385**

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ITEM	DESCRIPTION SANITATION	2013/2014 [R] VAT EXCL	2014/2015 [R] VAT EXCL

THE TARIFFS LISTED BELOW ARE VALID FROM 1 JULY 2014

1 GENERAL RULES REGARDING CHARGES

1.1 The word "month" in this schedule means a calender month or part thereof and the charges in respect of each month shall be due and payable on the same date as the general assessment rates: provided that the charges imposed in terms of item 7 of this schedule shall be payable monthly in arrear.

1.2 Where any person who is required to furnish a return in terms of this Xchedule or to provide such other information as may be necessary to enable the Council to determine the charges to be made under this Schedule fails to do so within 30 days after having been called upon to do so by notice in writing, he shall pay such charges as the Council shall assess on the best information available to it.

1.3 The charges levied under items 2 and 3 of this schedule shall remain effective in the case of buildings wholly unoccupied or in course of demolition, until such date as the Council is requested to seal the opening to the Counicl's sewer.

1.4 The owner of premises situated outside the municipality which is directly connected to the Council's sewer and not through the sewer of any other local authority, shall be liable to pay all the charges set out or referred to in this schedule and, in addition, a surcharge of 25% thereon.

2. CHARGES IN RESPECT OF AVAILABLE SEWERS

2.1 For the purposes oa this item of this Schedule : "piece of land" means any erf, stand, subdivision, lot area, agricultural land or any defined portion, with of without improvements "ecclesiatical purposes" means a church building, church hall, parsonage or church office.

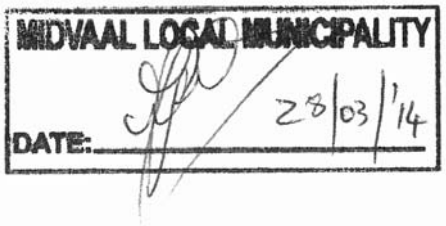
2.2 The owner of every piece of land shall, when such a piece of land has a frontage to any sewer of the Council or where such piece of land is or, in the opinion of the Council, can be connected to any such sewer pay to the Council the following charges per month.

(a) In terms of every piece of land zoned in terms of the Council's Town Planning Scheme, as amended from time to time for residential purposes and in respect of every piece of land used or aquired or reserved for eclesiastical of charitable purposes, per erf:

(1)	Meyerton, Risiville	73.12	80.43
(ii)	Randvaal, Walkerville	65.65	72.22
(iii)	Henley on Klip - where a suction point is in use but a waterborne system is in place	65.65	72.22
(iv)	Vaal Marina	65.65	72.22
	(v) Approved Indigents	0.00	0.00
(b)	In terms of every piece of land zoned in terms of the Council's Town Planning Scheme, as amended from time to time for residential 2, 3 and 4 purposes, per flat per townhouse	50.70	55.77
(c)	In respect of every piece of land zoned for agricultural holding in terms of the Council's Town Planning Scheme, as amended from time to time, per agricultural holding	233.30	256.63
(d)	In respect of every piece of land other than those specified in (a), (b) or (c) above, per 100 m^2 or part thereof		
(i)	Meyerton, Risiville, Duncanville	73.12	80.43
(ii)	Randvaal, Walkerville, De Deur en Vaal Marina	65.65	72.22

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(iii)	Kliprivier Business Park	900.00	990.00
	Provided that no such charges shall exceed this amount per month for Meyerton, Risiville	2,222.00	2,444.20
	Provided that no such charges shall exceed this amount per month for Randvaal, Walkerville, De Deur en Vaal Marina	757.00	832.70
(e)	Where the Council constructs an outfall sewer to drain one or more townships and where such sewer traverses farmland or land laid out as agricultural holdings and such farmland or holdings are not intended at the time of construction of the sewer tobe served by such sewer, the Council may, for such period or periods as it determine, excempt any owner of such farmland or agricultural holding from the pay ment of the charges laid out in terms of items 2 (2) (c) and (d) provided that if any such owner voluntary desires to be connected to such sewer, he shall, from the date of connection, be liable for the payment of all applicable sewerage charges as set out in this Schedule.		



3. ADDITIONAL CHARGES

In addition to the charges specified in item 2 above, the following applicable charges shall monthly be paid by the owner of any premises which are connected to the Council's sewerage system:

3.1	**Residential 1 erven, for each dwelling-house**		
(i)	Meyerton, Risiville	70.90	77.99
(ii)	Randvaal, Walkerville, De Deur and Lakeside	70.90	77.99
(iii)	Vaal Marina	70.90	77.99
(iv)	Approved Indigents	0.00	0.00
3.2	**Residential 2, 3 & 4 erven for each flat/ townhouse**	70.90	77.99
	Provided that where rooms are let solely for residential purposes without the provision of food, every two such rooms or part thereof under one roof shall be regarded as a flat.		
3.3	**Business and Industrial premises** in respect of the total of the areas of the building measured externally at each floor, including the basement		
(a)	Up to 2000 m^2, per 100 m^2 or part thereof:		
(i)	Meyerton, Risiville and Duncanville	70.90	77.99
(ii)	Randvaal, Walkerville and De Deur	70.90	77.99
(iii)	Vaal Marina	70.90	77.99
(b)	Over 2000 m^2, per 2000 m^2 or part thereof:		
(i)	Meyerton, Risiville and Duncanville	709.00	779.90
(ii)	Randvaal, Walkerville, De Deur and Vaal Marina	709.00	779.90
	Provided that no such charges shall exceed this amount per month for		
(i)	Meyerton, Risiville and Duncanville	8,949.00	9,843.90
(ii)	Randvaal, Walkerville, De Deur and Vaal Marina	2,485.00	2,733.50
3.4	**Flats and Business premises under one roof** in respect of the total of the areas of the building measured externally at each floor, including basement available for business premises:		
(a)	Up to 2000 m^2, per 100 m^2 or part thereof	70.90	77.99
(b)	Over 2000 m^2, per 2000 m^2 or part thereof	709.00	779.90
3.5	**Private hotels, boarding-houses and lodging houses:**		
	For every 100 m^2 or part thereof of the total area of the building at each floor, measured externally, including basement and outbuildings.	70.90	77.99
3.6	**Hotels and clubs without outdoor sporting facilities**(licensed under the Liqour Act, 1977) and business premises under the same roof. For every 100 m^2 or part thereof of the total area of the building at each floor, measured externally, including basement and outbuildings, available for hotel or club purposes.	107.00	117.70
3.7	**For each church**	65.65	72.22
3.8	**Church hall** per hall	65.65	72.22
3.9	**Halls from which revenue is derived.** For every 100 m^2 or part thereof of the total of the area of the building at each floor, including basement.	70.90	77.99
3.10	**Charitable institutions** (as referred to in the Welfare Organisation Act, Act, 1949) for every 10 inmates or part of 10, based on the average daily total during the preceding calender year.	29.29	32.22
3.11	**Schools, creches, nursery schools and colleges** for every 50 persons or part of 50 comprising staff, scholars and workers, based on the average daily total during the preceding calender year.	61.10	67.21

3.12	**Boarding schools and school hostels.** For every 20 persons or part of 20 comprising staff, scholars and workers, based on the average daily total during the preceding calender year.	86.86	95.55
3.13	**Sports clubs, excluding school sport grounds.** In respect of every 300 enrolled members or part of 300, based on the average daily total during the preceding calender year.	205.00	225.50
3.14	**Hospitals, nursing homes, maternity or nursing homes:**		
(a)	Per each bed available for patients during the preceding calender year, calculated on the monthly average of beds	39.39	43.33
(b)	Per each staff member and worker, resident or non-resident, calculated on on the monthly average of persons in service during the preceding calender year	19.00	20.90
3.15	**Goal.** For every 10 inmates or part of 10 including staff lodged, based on the average daily total during the preceding calender year	70.90	77.99
3.16	**Private owned compounds or hostels** accomodating more than five boarders. For every 10 boarders or part of 10 which the compound /hostel are capable of accomodating, based on the accomodation available at the end of the preceding calender year.	70.90	77.99
	(Certified returns shall be furnished to the Council by the persons in charge of the organisation, institution, etc as mentioned from item (10) up to and including item (16)		
3.17	**Power stations.** For every 200 m^2 or pert thereof of the total area of the building at each floor, including basement	70.90	77.99
3.18	**Public conveniences.** For every 10 m^2 or part thereof occupied	70.90	77.99
3.19	**Storage premises.** If used exclusively for the purposes of a storage business per 100 m^2 or part thereof of the total area, excluding storage area, of the building at each floor, measured externally, including basement.	70.90	77.99
3.20	**Drive-in theatres.** For every 10 motor vehicles or part thereof provided for inside the theater area.	40.00	44.00
4.	VACUUM TANK SERVICES		
4.1	For the removal of the contents of household septic tanks by a vacuum tank vehicle, on application, within the municipal area during office hours (07:00 - 17:00) only		
(a)	For the first call-out to a maximum of 7 kl or part thereof per calender month	475.00	Service has been discontinued
(b)	All suctions in excess of 7 kl per kl	70.90	Service has been discontinued
4.2	For the removal of the contents of of business and industrial septic tanks by a vacuum tank vehicle, on application, within the municipal area during office hours only (07.30-17.00):		
(a)	For the first call-out to a maximum of 7 kl or part thereof per calender month	475.00	Service has been discontinued
(b)	All Suctions in excess of 7kl	70.90	Service has been discontinued
4.3	Notwithstanding the amounts mentioned in items 4.1 & 2, the following amounts shall be payable for the discharge of the contents of a conserving or septic tank in the Council's sewer system, per kl or part thereof	4.05	Service has been discontinued

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5.	VOLUME CHARGE		
	An user discharging effluent per kl	9.60	10.56
6.	INDUSTRIAL EFFLUENTS		
6.1	Industrial Effluent Discharge Permit	0.00	0.00
6.2	In respect of industrial effluent, the highest tariff specified in items 6.3.2 -6.3.4 shall be payable by the user.		
6.3	Industrial Effluent Treatment Charge		
6.3.1	Calculation of Industrial Effluent Treatment Charge The following provisions apply with regard to and for purposes of calculating the treatment charge provided for in item 6.3.2		
(a)	The owner or occupier of any premises from which industrial effluent is discharged shall, in addition to any other charges provided for in these tariffs of in any other law, pay to the Council a charge calculated in accordance with the provisions of these tariffs in respect of each month during which such discharge takes place.		
(b)	Each user discharging effluent into the Council's sewage disposal system shall test such industrial effluent, on a regular schedule as provided for in the permit to discharge industrial effluent, and report the results to the Council.		
(c)	The Council shall in its entire discretion conduct analysis of industrial effluence at random. The values obtained by the Council shall be taken as correct and used to calculate the treatment charge. Whenever a sample is taken by the Council, one half thereof shall be made available to the user, if required at the time when the sample was taken.		
(d)	The average of the values of the different analysis results of 24 hourly composite or grab samples of the effluent, taken during the relevant month and as prescribed in terms of the permit referred to in sub paragraph (b) above will be used to determine the treatment charge payable. Should the user not accept the values obtained from the said analysis intended in this sub paragraph the user may request further tests at the cost of such user to be done by a laoratory acceptable to the Council and the user.		
	(e) In the total absence of a sample, the user shall pay to the Council the higher of the amounts as determined per items 6.3.3 or 6.3.4 hereof per month plus such other applicable tariffs prescribed herein.		
(f)	Should the user fail to submit to the Council timeously the results required in terms of sub paragraph (b) above, the results obtained by the Council from the last test results submittedin terms of the provisions of sub paragraph (b) shall remain applicable: provided further that the Council may apply the provisions of sub paragraph (c) for the purposes of calculating the charges payable: provided further that should the result of the formula in item 6.3.2 be less than the amount specified in items 6.3.3 or 6.3.4 the highest amount calculated will be payable for the relevant month.		
(g)	In the absence of any direct measurement, the quantity of industrial effluent discharged during a period shall be determined by the Council taking into consideration the quantity of the water consumed on the premises for domestic purposes, the quantity lost to the atmosphere during the process of manufacture and the quantity present in the final product produced on the premises.		

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(h) If a meter metering the quantity of water consumed on the premises is proven to be defective, the appropriate adjustments shall be made to the quantity of industrial effluent discharged when calculated as prescribed in sub paragraph (g) and the defective meter shall be repaired or replaced as soon as possible.

(i) For the purpose of calculation of the quantity of industrial effluent discharged from each point of discharge of industrial effluent as aforesaid, the total quantity of water consumed on the premises shall be allocated amont the several points of discharge as accurately as is reasonably practical after consultation between the Council and the users of the relevant premises.

(j) The owner or occupier of premises where an industrial effluent meter is installed, shall ensure that the meter is calbrated annually.

6.3.2 **Treatment charge**

The owner or occupier of any premises on which any trade or industry is carried out and from which, as a result of such trade and industry or of any process incidental thereto, any effluent (herein after referred to as "industrial effluent") is discharged into the Council's sewage disposal system, shall in addition to any other fee or charges for which such owner or occupier may be liable for in terms of these tariffs, also pay to the Council a treatment charge, being an amount calculated on the industrial effluent discharged, the strengths and the permitted (allowed) concentrations of the industrial effluent discharged during the relevant month and in accordance with the following formula:

$$Ti = C/12\ (Qi/Qt)[a + b(CODi/CODt) + c(Pi/Pt) + d(Ni/Nt) + e(Ssi/SSt)]$$

Ti = Charges per month for the treatment of industrial effluent.

C = Total operational budget for the purification works

Qi = Sewage flow(as defined in the Council's Sanitation Services by-laws) originating from the user in kl per day determined for the relevant month.

Qt = Annual total sewage inflow (as defined in the Council's Sanitation Services by-laws) to the Council's sewage disposal system in kl per day.

a = portion of the fixed cost of treatment.

b = portion of the costs directly related to the removal of chemical oxygen demand.

CODi = Average chemical oxygen demand of the settled sewage originating from the user in mg per litre determined for the relevant month.

CODt = Annual average chemical oxygen demand of the settled sewage in the total inflow to the Council's sewage disposal system in mg per litre.

c = portion of costs directly related to the removal of phosphates.

Pi =Average Ortho-phosphate concentration originating from the user in mg Phosphorus per litre determined for the relevant month.

Pi =Annual average Ortho-phosphate concentration originating from the user in mg Phosphorus per litre determined for the relevant month.

d = portion of the costs directly related to the removal of ammonia.

Ni = Average Ammonia originating from the user in mg Nitrogen per litre determined for the relevant month.

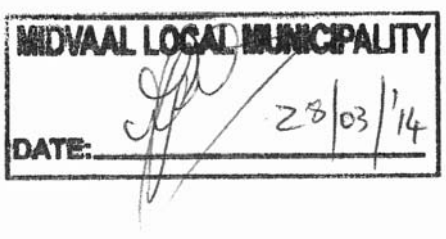
Nt = Annual average Ammonia concentration of the sewage in the total inflow to the Council's sewage disposal system in mg Nitrogen per litre.

e = portion of the costs directly related to the removal of suspended solids.

Ssi = Average suspended solids concentration originating from the user in mg per litre determined for the relevant month.

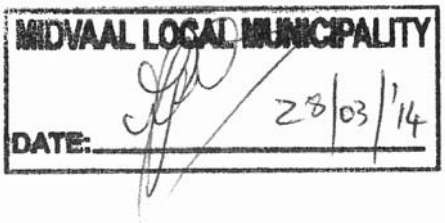
SSt = Annual average suspended solids concentration of the sewage in the total inflow to the Council's sewage disposal system in mg per litre.

For calculating of the treatment charges according to the above formula the following system values will apply:



Qt	7
CODt	551
Pt	5.8
Nt	25.5
SSt	259
a	0.29
b	0.46
c	0.05
d	0.05
e	0.15

7. ERWAT (KLIPRIVIER BUSINESS PARK) COSTS PLUS 10%



These tariffs appy to eg the following uses: business, commercial and industrial properties.

Tariff summary	Tariff per kl
0 - 200 kl/month	R6.12
201 - 1 000 kl/month	R4.81
1 001 - 2 500 kl/month	R2.82
2 501 - 5 000 kl/month	R1.38
5 001 - 25 000 kl/month	R1.24
25 001 - 50 000 kl/month	R1.16
50 001 or more kl/month	R0.62

These tariffs listed in 7 shall be levied in respect of each sewer connection provided to the premises on which a use intended in this item is being exersised. The relevant tariffs listed in this item shall be levied cumulatively.

8. SUPPLY OF TREATED SEWAGE EFFLUENT

8.1 The charges payable in respect of any connection, including any extension extension of the main which may be necessary for the supply of treated sewage effluent, shall amount to the actual cost of material and labour used for such a connection, plus a surcharge of 10% on such amount.

8.2	For the supply of treated sewage effluent for gardening purposes, per kl or part thereof	2.53	2.78

9. SELLING OF SEWAGE SLUDGE

Decomposed sewage sludge may be purchased from the Council if it's avalable provided that

(a) the purchaser removes the sludge from the silt dry-beds at own costs; and

(b) the purchaser undertakes in writing to use the sludge according to the guidelines set by the Department of National Health

1 ton	15.00	16.50
Above 1 ton and up to 3 tons	28.00	30.80
Above 3 tons and up to 6 tons	58.00	63.80
Above 6 tons	85.50	94.05

10. WORK CHARGES

10.1 Sealing of opening, when a drainage installation is disconnected from a sewer, per opening: cost of labour and material + 10%

10.2 Additional connections to mid block sewers and sewers adjacent to side or street boundaries per property: cost of labour and material + 10%

10.3 Connections involving street crossings: cost of labour and material + 10%

11.	UNNECESSARY CALL-OUT CHARGES	354.00	390.00

When the Council is called out to attend to a complaint regarding a blockage in the Council's sewerage system and it is found that the blockage is in the sewerage systems within the premises for which system the Council is not responsible.

12. INSPECTION FEES

12.1 In respect of a specific contravention of the by-laws of the Council whether continuous or interrupted during a period of 12 months

First inspection		
First follow-up inspection subsequent to a notice of rectification	374.00	411.40
2nd follow-up inspection subsequent to the notice of rectification intended above	1,111.00	1,222.10
3rd or subsequent follow-up inspection subsequent to the notice of rectification intended above	3,030.00	3,333.00

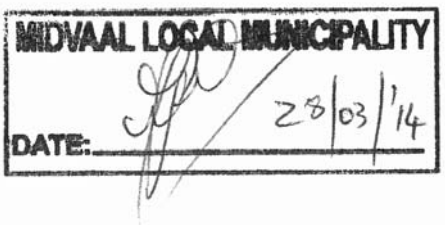
12.2 In respect of locating Council manholes, private connections and acceptance by the Council of new sewer infrastructure, installations and connections during a period of 12 months

First inspection on the site	374.00	411.40
First follow-up inspection on the site intended above	1,111.00	1,222.10
3rd follow-up inspection on the site intended above	3,030.00	3,333.00

13. READING OF EFFLUENT METERS ON REQUEST

Should a consumer require that a meter be read at any other time other than the time appointed by the Executive Director: Engineering Services or his nominee, this charge for each such reading.	333.00	366.30

The abovementioned tariffs exclude VAT



ITEM	DESCRIPTION CLEANSING AND SOLID WASTE	2013/2014 [R] VAT EXCL	2014/2015 [R] VAT EXCL
	THE TARIFFS LISTED BELOW ARE VALID FROM 1 JULY 2014		
1.	REMOVAL OF DOMESTIC USE		
	From resisdential dwellings 1 in plastic bags with a conserving capacity of not more than 0.1 m³ with a maximum of 6 bags per dwelling or town house per removal. Monthly tariff		
a.	Meyerton / Risiville	124.00	136.40
b	Randvaal / Vaal Marina	124.00	136.40
c.	Walkerville / De Deur	124.00	136.40
d.	Lakeside Estates / Sicelo/ Bantu Bonke	62.00	68.20
e.	Resorts in Vaal Marina and Suikerbosrand (Bulk Resorts)	92.00	101.20
1.2	From flats and other (res 2, 3 and 4): once per week per residential unit	92.00	101.20
1.3	From agricultural holdings in plastic bags with a conservancy capacity of not more than 0.1 m³ with a maximum of 6 plastic bags per agricul tural holding, once per week	124.00	136.40
1.4	From farm portions in plastic bags with a conservancy capacity of not morethan 0.1 m³ with a maximum of 6 bags per agricultural holding, once per week	124.00	136.40
1.5	Recycling levy: from residential dwellings 1 in plastic bag with a conservancy capacity of not more than 0.1 m³ with a maximum of 6 recycling bags per dwelling or town house per removal, monthly tariff	0.00	0.00
2.	REMOVAL OF BUSINESS AND DRY INDUSTRIAL REFUSE		
2.1	In plastic bags with a conserving capacity of not more than 0.1 m³ compacted or un-compacted, with a maximum of 4 bags		
a.	One removal per week	144.00	158.40
b.	Two removals per week	276.00	303.60
c.	Three removals per week	403.00	443.30
d.	Daily removals	759.00	834.90
2.2	In containers with a conserving capacity of not more than 2.5 m³ p/month		
a.	One removal per week	1,173.00	1,290.30
b.	Two removals per week	1,955.00	2,150.50
c.	Three removals per week	3,105.00	3,415.50
d.	Daily removals	5,865.00	6,451.50
2.3	Rental of the above mentioned container with a conservancy capacity of not more than 2.5 m³ per month	310.00	341.00
3.	REMOVAL OF BUSINESS AND RESIDENTIAL REFUSE IN CONTAINERS WITH A CAPA CITY OF NOT MORE THAN 6 m³ FOR RENTAL LONGER THAN ONE WEEK		
3.1			
a.	Rental per week or part thereof	99.00	108.90
b.	Rental per month	368.00	404.80
c.	Removal by means of compactor, per removal	530.00	583.00
d.	Removal by means of a skip loader, per removal	725.00	797.50
4.	REMOVAL OF BUSINESS AND RESIDENTIAL REFUSE IN CONTAINERS WITH A CON SERVANCY CAPACITY OF NOT MORE THAN 30 m³ FOR RENTAL PERIOD LONGER THAN ONE WEEK		
4.1			
a.	Removal of 15 m³ skip bin, per removal	1,495.00	1,644.50
b.	Removal of 18 m³ skip bin, per removal	1,840.00	2,024.00
c.	Removal of 30 m³ skip bin, per removal	2,990.00	3,289.00

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5.	REMOVAL AND DISPOSAL OF CONDEMNED FOODSTUFFS		
5.1	Per removal, per m³ or part thereof	132.00	145.20
6.	REMOVAL AND DISPOSAL OF BUILDING RUBBLE		
6.1	Per removal, per m³ or part thereof	110.00	121.00
7.	REMOVAL AND DISPOSAL OF GARDEN REFUSE		
7.1	Per removal, per m³ or part thereof	97.00	106.70
8	UN-PROCLAIMED TOWNSHIPS		
8.1	From residential dwellings 1 in plastic bags with a conserving capacity of not more than 0.1 m³ with a maximum of 6 bags per dwelling or town house per weekly removal, per month	97.00	106.70
9.	DUMPING AT WASTE DUMPS / LANDFILL SITES(NON-WEIGHBRIDGE)		
9.1	(INCLUDES A TARIFF PER TON REHABILITATION LEVY)	12.00	13.20
9.2	Dumping o household and garden refuse by residents of Midvaal	FREE	FREE
9.2	Dumping of waste by Non-residents per 1m3	83.00	91.30
9.3	Dumping of waste by Non-residents		
a.	Per skip bin non municipal per bin	780.00	858.00
b.	Non-household or garden refuse - 1 ton vehicle with/without trailer	83.00	91.30
c.	3 ton vehicle	212.00	233.20
d.	Larger than 3 ton vehicle	712.00	783.20
e.	Single Axle Tipper	586.00	644.60
f.	Double Axle Tipper	712.00	783.20
g.	Articulated Tipper Trailer	1,020.00	1,122.00
10.	DUMPING AT WASTE DUMPS / LANDFILL SITES (WEIGHBRIDGE) DESCRIPTION		
a.	Tariff for the general public	Free	Free
b.	General and non-hazardous industrial dry solid waste by the general public and contractors in excess of 1000 kg	162.00	178.20
c.	Disposal of clean compostable garden refuse by the general public and contractors in excess of 1000 kg	44.00	48.40
d.	Disposal of general and non-hazardous industrial dry solid waste by the general public and contractors, from outside the boundaries of the municipality in excess of 1000 kg	412.00	453.20
e.	Clean building rubble up to 999 kg	FREE	FREE
f.	Clean soil, usable as cover material	FREE	FREE
g.	Per tyre - rim size up to 40 cm diameter	27.00	29.70
h.	Per tyre - rim size in excess of 40 cm diameter	42.00	46.20
11.	DUMPING OF HOUSEHOLD AND GARDEN REFUSE BY RESIDENTS OF MIDVAAL	FREE	FREE
12.	DUMPING OF WASTE BY NON-RESIDENTS		
a.	Per skip bin non municipal	780.00	858.00
b.	Non-household or garden refuse - 1 ton vehicle with/without trailer	83.00	91.30
c.	3 ton vehicle	212.00	233.20
d.	Larger than 3 ton vehicle	712.00	783.20
e.	Single Axle Tipper	586.00	644.60
f.	Double Axle Tipper	712.00	783.20
g.	Articulated Tipper Trailer	1,020.00	1,122.00
h.	Dumping of waste by businesses per 1 m³	83.00	91.30
13.	DUMPING OF WASTE BY BUSINESSES		
a.	Per skip bin non municipal	680.00	748.00
b.	Non-household or garden refuse - 1 ton vehicle with/without trailer	50.00	55.00
c.	3 ton vehicle	126.00	138.60
d.	Larger than 3 ton vehicle	442.00	486.20
e.	Single Axle Tipper	368.00	404.80
f.	Double Axle Tipper	385.00	423.50
g.	Articulated Tipper Trailer	560.00	616.00

The above mentioned tariffs exclude VAT

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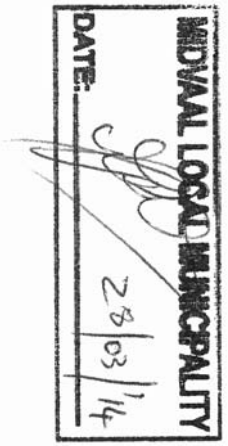
MIDVAAL LOCAL MUNICIPALITY

CORPORATE SERVICES TARIFFS FOR THE HIRE OF CITY HALLS (MIDVAAL AREAS): WITH EFFECT FROM 01 JULY 2014

	ROTHDENE CITY HALL	MEYERTON CITY HALL	KITCHEN MEYERTON FOR A SIDE HALL(Mitchell Wing)	VAAL MARINA HALL/Board Room	BANTU BONKE/ SICELO HALLS/ LAKESIDE MPC	SIDE HALL(Loch Wing), CITY HALL COMMITTEE ROOM, MEYERTON CIVIC CENTRE
1. Balls, Dance Parties, Social and Similar functions From 08:00 - 24:00 1.1 *A refundable breakage deposit is payable on all Halls/side hall, bookings confirm on deposit*	R640.00 R400.00	R1850.00 (Inclusive of tariff for Side – Halls and Kitchen if Main Hall is hired) R400.00	R530.00 R400.00	R530.00 R400.00	R320.00 R400.00	R530.00 per occasion R400.00
2. Concerts and films.	R430.00	R640.00	R320.00	R320.00	R210.00	R320.00
3. Bazaars, fun-fairs, selling and promotions, per occasion	R430.00	R640.00	R320.00	R320.00	R210.00	R320.00
4. Church services and meetings, per occasion: 4.1 Church services and non-political meetings 4.2 Political meeting or gatherings	R430.00 R430.00	R640.00 R640.00	R530.00 R530.00	R320.00 R320.00	R210.00 R210.00	R320.00 R320.00
5. Gatherings/functions in support of a religion, educational and bona fide registered charitable organizations – provided/ written application is approved.	Discount of 25 %	Discount of 25 %	Discount of 25 %	Discount of 25 %	Discount of 25 %	Discount of 25 %
6. Hiring of the halls for folkdance practices, balled or any other cultural group as well as badminton, karate and boxing or any other sporting code that falls under the control of a Local Amateur Sports Council, with the understanding that the use of the hall not be to the disadvantage of any other: Per month for maximum use 3x per week for 2 hour sessions *6.1 A refundable breakage deposit is payable.*	R530.00 / month R400.00	R1 060.00 / Month R400.00	R530.00 per Month R400.00	R530.00 per Month R400.00	R270.00 per Month R400.00	R530.00 per Month R400.00
7. Use of the hall for municipal and state gatherings.	Free	Free	Free	Free	Free	Free
8. Hiring of the piano/organ *A refundable breakage deposit is payable*	None available	R90.00 R300.00	None available	None available	None available	None available
9. Levying of fees for the cleaning of the hall and accessories.	R300.00 per function	R300.00 per function	R300.00 per function	R300.00 per function	R300.00 per function	R300.00 per function
10. Hiring of the movable stage. 1. *A refundable breakage deposit is payable*	Not available	R100.00 R400.00	Not available	Not available	Not available	Not available
11. Hiring of tables and chairs: Round Tables Tables Square Chairs	R 35.00/table R25.00/ table Free	R 35.00/table R25.00/ table Free	R 35.00/table R25.00/ table Free	R 35.00/table R25.00/ table Free	R 35.00/table R25.00/ table Free	R 35.00/table R25.00/ table Free

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12. Hiring of Council Cutlery: *A refundable deposit of breakage is payable when cutlery and rockery is issued.*	*230.00*	*230.00*	Not available	Not available	Not available	*230.00*
300 Dinner Plates	1.80 each	1.80 each				1.80 each
300 Side plates	0.95 each	0.95 each				0.95 each
300 Cups and sauces	1.80 per set	1.80 per set				1.80 per set
300 Dinner Knives	0.65 each	0.65 each				0.65 each
300 Dinner Forks	0.65 each	0.65 each				0.65 each
300 Desert Forks	0.65each	0.65each				0.65each
300 Cake Forks	0.65 each	0.65 each				0.65 each
300 Table/desert spoons	0.65 each	0.65 each				0.65 each
300 Tea spoons	0.65 each	0.65 each				0.65 each
300 Soup spoons	0.65each	0.65each				0.65each
300 Soup/desert bowls	1.80 each	1.80 each				1.80 each
25 Sugar bowls	1.80 each	1.80 each				1.80 each
25 Milk jugs	1.80 each	1.80 each				1.80 each
50 Water/juice jugs	1.80 each	1.80 each				1.80 each
30 salt and pepper sets	1.80 each	1.80 each				1.80 each
Bain-marie with 8 bowls	48.70	48.70				48.70
10 Salad bowls	2.40each	2.40each				2.40each
10 Salad spoons	1.30 each	1.30 each				1.30 each
10 Serving spoons	1.30 each	1.30 each				1.30 each
1 Urn 25 Lt	31.80	31.80				31.80
1 Urn 10 Lt	31.80	31.80				31.80



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DETERMINATION OF TARIFFS PAYABLE IN TERMS OF THE OUTDOOR ADVERTISMENT AND BUILDING BY-LAWS 2009 TARIFFS FOR 2014/15

		2013/2014	2014/2015	5%
1.	**CLASS 1 ADVERTISMENTS** SUPER BILLBOARDS, CUSTOM-MADE BILLBOARDS, LARGE BILLBOARDS, SMALL BILLBOARDS AND TOWER STRUCTURES			
1.1.	**NEW APPLICATIONS** Application fee per sign	1,389.00	1458	5
1.2.	**APPLICATIONS FOR AMENDMENTS** Application fee per sign	695.00	730.00	5
1.3.	**APPLICATIONS FOR EXTENSION OF TIME PERIOD** Application fee per sign	486.00	510	5
	Inspection fee per m^2 of the total face of each sign applicable to class 1	138.00	145	5
2	**CLASS 2 ADVERTISMENTS**			
2.1	LARGE POSTERS AND ADVERTISEMENTS ON STREET FURNITURE			
2.1.2.	**NEW APPLICATIONS** *Application fee per poster or sign*	393.00	413	5
2.1.3.	**APPLICATIONS FOR AMENDMENTS** *Application fee per poster or sign*	197.00	207	5

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2.1.4.	**APPLICATIONS FOR EXTENSION OF TIME PERIOD** *Application fee per poster or sign*	302.00	317	5

BANNERS AND FLAGS

2.2.1. BANNERS AND FLAGS FOR FUNCTIONS OR EVENTS

PROTECTION SERVICES

2.2.2. BANNERS AND FLAGS FOR THE DISPLAY OF THE NAME, CORPORATE SYMBOL AND NATURE OF ENTERPRISES AND STREETSCAPING

NEW APPLICATIONS			
Application fee per enterprise per sign with a minimum fee of	655.00	699	5
APPLICATIONS FOR AMENDMENTS			
Application fee per enterprise per sign with a minimum fee of	459.00	482	5
APPLICATIONS FOR EXTENSION OF TIME PERIOD *Application fee per enterprise per sign with a minimum fee of*	393.00	413	5

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2.3. SUBURBAN ADVERTISEMENTS

NEW APPLICATIONS *Application fee per sign*	196.00	206	5
APPLICATIONS FOR AMENDMENTS *Application fee per sign*	131.00	138	5
APPLICATIONS FOR EXTENSION OF TIME PERIOD *Application fee per sign*	99.00	104	5

2.4. ESTATE AGENT'S BOARDS

PROTECTION SERVICES

2.5. SALE OF GOODS OR LIVESTOCK (AUCTION SALES)

PROTECTION SERVICES

2.6. PAVEMENT POSTERS AND NOTICES

2.6.1. CATEGORY 1 POSTERS

2.6.1.1 CATEGORY 1 POSTERS IN RESPECT OF PUBLIC, CHARITABLE, RELIGIOUS OR EDUCATIONAL EVENTS

PROTECTION SERVICES

2.6.1.2. CATEGORY 1 POSTERS IN RESPECT OF CULTURAL, POLITICAL, SOCIAL, SPORTING OR RECREATIONAL EVENTS

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SOCIAL, SPORTING OR RECREATIONAL EVENTS
PROTECTION SERVICES

2.6.2. CATEGORY 2 POSTERS

PROTECTION SERVICES

2.6.3. CATEGORY 3 POSTERS

PROTECTION SERVICES

2.6.4. CATEGORY 4 POSTERS

PROTECTION SERVICES

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2.6.5. CATEGORY 5 POSTERS

PROTECTION SERVICES

2.7. **PROJECT AND DEVELOPMENT BOARDS**
(If not exempted under S9)

NEW APPLICATIONS *Application fee* per m2 of the total face of the display with a minimum fee of	655.00	699	5
APPLICATIONS FOR AMENDMENTS *Application fee*			

per m^2 of the total face of the display with a minimum fee of	459.00	482	5
APPLICATIONS FOR EXTENSION OF TIME PERIOD ***Application fee*** per m^2 of the total face of the display with a minimum fee of	393.00	413	5

2.8. TEMPORARY WINDOW SIGNS

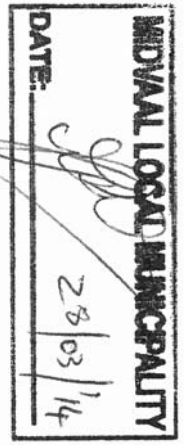
Exempted

2.9. STREET NAME ADVERTISEMENTS

Prohibited

2.10. NEIGHBOURHOOD WATCH AND SIMILAR SCHEMES

Exempted



2.11. PRODUCT REPLICAS AND THREE-DIMENSIONAL SIGNS

NEW APPLICATIONS ***Application fee*** per m^2 of the total face of each sign with a minimum fee of	655.00	699	5
APPLICATIONS FOR AMENDMENTS ***Application fee*** per m^2 of the total face of each sign with a minimum fee of	459.00	482	5

APPLICATIONS FOR EXTENSION OF TIME PERIOD ***Application fee*** per m^2 of the total face of each sign with a minimum fee of	393.00	413	5

3 CLASS 3 ADVERTISEMENTS

3.1. SKY SIGNS

Prohibited

3.2. ROOF SIGNS

NEW APPLICATIONS *Application fee*	655.00	699	5
Inspection fee Applicatble to all roof Signes per m^2 of the total face of each sign	131.00	138	5
APPLICATIONS FOR AMENDMENTS *Application fee*	459.00	482	5
APPLICATIONS FOR EXTENSION OF TIME PERIOD *Application fee*	393.00	413	5

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3.3. FLAT SIGNS

NEW APPLICATIONS *Application fee*	655.00	699	5
APPLICATIONS FOR AMENDMENTS *Application fee*	459.00	482	5
APPLICATIONS FOR EXTENSION OF TIME PERIOD ***Application fee***	393.00	413	5
Inspection fee per m^2 of the total face of each sign applicable to all flat signs	131.00	138	5

3.4. PROJECTING SIGNS

NEW APPLICATIONS *Application fee*	655.00	699	5
APPLICATIONS FOR AMENDMENTS *Application fee*	460.00	483	5
APPLICATIONS FOR EXTENSION OF TIME PERIOD *Application fee*	393.00	413	5
Inspection fee per m^2 of the total face of each sign applicable to Projecting Signs	131.00	138	5

3.5. VERANDA, BALCONY, CANOPY AND UNDERAWNING SIGNS
(If not exempted under Section 9)

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NEW APPLICATIONS *Application fee per sign*	197.00	207	5
APPLICATIONS FOR AMENDMENTS *Application fee per sign*	131.00	138	5
APPLICATIONS FOR EXTENSION OF TIME PERIOD *Application fee per sign*	66.00	70	5

3.6. SIGNS PAINTED ON WALLS AND ROOFS

Prohibited

3.7. WINDOW SIGNS

Exempted

3.8. SIGNS INCORPORATED IN THE FABRIC OF A BUILDING

Exempted

3.9. ADVERTISMENTS ON FORECOURTS OF BUSINESS PREMISES

NEW APPLICATIONS *Application fee per enterprise per annum*	655.00	699	5

3.1. MISCELLANEOUS SIGNS FOR RESIDENTIAL ORIENTED LAND

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USE AND COMMUNITY SERVICE (If not exempted under Section 9)

NEW APPLICATIONS *Application fee per sign*	393.00	413	5
APPLICATIONS FOR AMENDMENTS *Application fee per sign*	197.00	207	5
APPLICATIONS FOR EXTENSION OF TIME PERIOD *Application fee per sign*	197.00	207	5

3.11. ON-PREMISES BUSINESS SIGNS

NEW APPLICATIONS			
Application fee			
per m^2 of the total face of the advertisement	121.00	127	5
with a minimum fee of	242.00	254	5
APPLICATIONS FOR AMENDMENTS			
Application fee			
per m^2 of the total face of the advertisement	66.00	69	5
with a minimum fee of	197.00	207	5
APPLICATIONS FOR EXTENSION OF TIME PERIOD			
Application fee			
per m^2 of the total face of the advertisement	66.00	69	5
with a minimum fee of	131.00	138	5

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3.12. ADVERTISEMENTS ON TOWERS, BRIDGES, GANTRIES AND

PYLONS

NEW APPLICATIONS *Application fee per sign*	1,311.00	1377	5
APPLICATIONS FOR AMENDMENTS *Application fee per sign*	655.00	388	5
APPLICATIONS FOR EXTENSION OF TIME PERIOD *Application fee per sign*	459.00	482	5
Inspection fee *per* m^2 of the total face of each sign applicable on Towers, Bridges, Gantries & Pylons	131.00	138	5

4. CLASS 4 ADVERTISEMENTS

4.1. SPONSORED ROAD TRAFFIC PROJECTS

Exempted

4.2. SERVICE FACILITY SIGNS

NEW APPLICATIONS *Application fee per sign*	1,311.00	1378	5
APPLICATIONS FOR AMENDMENTS *Application fee per sign*	655.00	688	5

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APPLICATIONS FOR EXTENSION OF TIME PERIOD *Application fee per sign*	459.00	482	5
Inspection fee per m^2 of the total face of each sign applicable to Services Facility signs	131.00	138	5

4.3. TOURISM SIGNS

NEW APPLICATIONS *Application fee per sign*	197.00	207	5
APPLICATIONS FOR AMENDMENTS *Application fee per sign*	131.00	138	5
APPLICATIONS FOR EXTENSION OF TIME PERIOD *Application fee per sign*	99.00	104	5

4.4. FUNCTIONAL ADVERTISEMENTS BY PUBLIC BODIES

Exempted

5 CLASS 5 ADVERTISEMENTS

5.1. AERIAL SIGNS

NEW APPLICATIONS			

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Application fee per sign	655.00	688	5
APPLICATIONS FOR EXTENSION OF TIME PERIOD			
Application fee per sign	393.00	413	5

5.2. VEHICULAR ADVERTISEMENT

Exempted - PROTECTION SERVICES

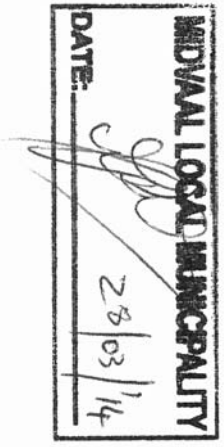
5.3. TRAILER ADVERTISEMENT

PROTECTION SERVICES

1. **All tariffs shown, includes VAT.**

2. **All fees levied in terms hereof, are payable in advance.**

TOTALS	22,708.00	23633	5



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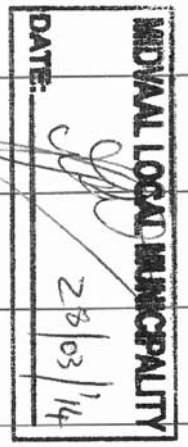
DETERMINATION OF TARIFFS PAYABLE IN TERMS OF THE NATIONAL BUILDING REGULATIONS AND BUILDING BY-LAWS 2013/14

1 TARIFFS FOR THE PRE EVALUATION OF SKETCHES OR PRELIMENARY DRAWINGS

Charges for the examination of preliminary plans in terms of section A3 of the Regulations shall be valued at 50 % of the charges payable in terms of item 2 below, which ever is applicable

2 TARIFFS FOR THE EVALUATION OF BUILDING PLAN APPLICATIONS FOR RESIDENTIAL, BUSINESS,COMMERCIAL, INDUSTRIAL & RURAL DEVELOPMENT

These tariffs are charged for building plans (new buildings and additions). The floor area of a building is calculated from the external surface to the opposite external surface of the wall as per section C of SANS 10400	2013/2014	2014/2015	& Increase
0 - 50m²	no tariff	250.00	new
Inspection Fee (Residential & Non -Residential) PER OCCUPANCY	no tariff	250.00	new
50m² to 100m²	550.00	500.00	-9
Inspection Fee (Residential) PER OCCUPANCY	550.00	500.00	-9
Inspection Fee (Residential & Non -Residential) PER OCCUPANCY	950.00	550.00	-42
101m² - 1 000m² = p/m²	7.50 p/m²	8.00	6
Inspection Fee (Residential) PER OCCUPANCY	550.00	500.00	-9
Inspection Fee (Residential & Non -Residential) PER OCCUPANCY	950.00	1000.00	5.5
1 001m² - 10 000m² = p/m²	6.40 p/m²	6.50	2
Inspection Fee (Residential) PER OCCUPANCY	550.00	500.00	-9
Inspection Fee (Residential & Non -Residential) PER OCCUPANCY	950.00	1000.00	5.5
10 001m² - 100 000m² (Fixed Rate)	4.30 p/m²	85000.00	fixed
Inspection Fee (Residential) PER OCCUPANCY	550.00	500.00	-9
Inspection Fee (Residential & Non -Residential) PER OCCUPANCY	950.00	1000.00	5.5
100 001m² - 200 000m² (Fixed Rate)	4.30 p/m²	105000.00	fixed
Inspection Fee (Residential) PER OCCUPANCY	550.00	500.00	-9
Inspection Fee (Residential & Non -Residential) PER OCCUPANCY	950.00	1000.00	5.5
200 000m² - No Limit (Fixed Rate)	4.30 p/m²	125000.00	fixed
Inspection Fee (Residential) PER OCCUPANCY	550.00	500.00	-9
Inspection Fee (Residential & Non -Residential) PER OCCUPANCY	950.00	1000.00	5.5



3 TARIFFS FOR INSPECTIONS IN TERMS OF ITEM 1 AND 2 ABOVE

Callout for each additional inspection neccesitated by non compliance with a requirement	230.00	300.00	30
Callout for each additional requested inspection for buidling plan clearance/confirmation/compliance	no tariff	300.00	new

4 TARIFFS FOR THE APPROVAL OF STATE FUNDED HOUSING PROJECTS

Individual single units ≤ 50m² per type/unit	110.00	110.00	0
Callout inspection on a State/Municipal funded project ≤ 500 units ≤ 50m² per batch of 50 units	330.00	330.00	0
Callout inspection on a State/Municipal funded project ≥ 500 units ≤ 50m² per batch of 50 units	200.00	200.00	0
Individual single units ≥ 50m² per type/unit, charges as per schedule 2 above			
Callout inspection on a State/Municipal funded project ≤ 500 units ≥ 50m² per batch of 50 units	550.00	550.00	0
Callout inspection on a State/Municipal funded project ≥ 500 units ≥ 50m² per batch of 50 units	550.00	550.00	0
Blocks of flats (Walk-up) with individual flats are ≤ 50m² per flat/occupancy	55.00	55.00	0
Blocks of flats (Walk-up) with individual flats are ≥ 50m² per flat/occupancy charges as per schedule 1			
Callout inspection on each block of flats with units ≤ 50m² per flat	320.00	348.80	8
Callout inspection on each block of flats with units ≥ 50m² per flat	550.00	600.00	9

5 TARIFFS FOR THE EVALUATION OF MINOR BUILDING WORK APPLICATIONS ON RESIDENTIAL, BUSINESS,COMMERCIAL, INDUSTRIAL & RURAL PROPERIES

Minor Building work as defined in the National Building regulations. Should any of the minor buildings be submitted simultaniously with an applications as per item 2 above, the minor building work tariff shall not be applicable or charged.

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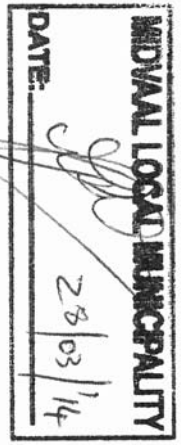
Internal alterations to any building or structure not affecting the existing floor area	320.00	400.00	25
Private Swimming Pools of any m² per property	450.00	400.00	-11
Boundary walls adjacent to any street front	550.00	400.00	-37
Boundary walls along any side or rear boundary of a property	350.00	400.00	14

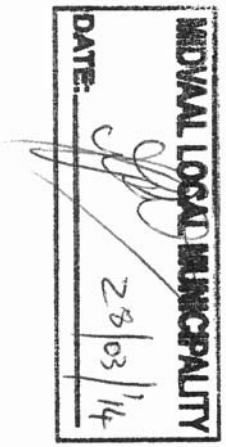
6 TARIFFS FOR THE EVALUATION OF PLANS FOR BUILDINGS/STRUCTURES THAT HAVE A SPECIAL CHARACTER ON RESIDENTIAL, BUSINESS,COMMERCIAL, INDUSTRIAL & RURAL PROPERIES

Buildings or structures such as ; Factory shafts, elevators, chimneys, elevated security watchrooms, masts and towers.	750.00	3000.00	300

7 LP GAS AND OTHER HAZARDOUS FUEL INSTALLATION APPLICATIONS

This application includes all types of gas and fuel installations on any property as required in terms of Part T of SANS 10400 No inspection charge because the inspection is done by the fire department.	550.00	600.00	9





8 TARIFFS FOR THE EVALUATION OF PLANS FOR TEMPORARY BUILDINGS ON RESIDENTIAL, BUSINESS,COMMERCIAL, INDUSTRIAL & RURAL PROPERIES FOR WHICH A PERMIT IS ISSUED

The permit for any temporary building or structure is valid for 6 months from date of issue and renewable on written request

Temporary buildings may include a builders hut, security hut, tool shed, storage container or any structure intended to be used for a limited specified period within 6 months and completely demolished thereafter

Permit per structure/unit - Fixed Price	580.00	250.00	-57

9 APPLICATIONS FOR APPROVAL OF PREVIOUSLY APPROVED PLANS THAT HAVE LAPSED

For consideration of approving previously approved plans that have lapsed provided that the application is submitted within 6 months of the lapsed date of the original plan

Renewal of a building plans = **Inspection fees + 35% of tariff** in terms of item 2	30.00	35.00	16

10 CANCELLATION OF ANY APPLICATION ON OWNERS REQUEST

Cancellation of any application on the owner's written request within 6 months from date of approval, **30%** of the initial application fee may be refunded

11 CANCELLATION OF AN APPLICATION DUE TO NON APPROVAL

When any application was submitted for consideration but cannot be considered for approval, **20%** of the initially paid application fee interms of item 2 above may be refunded on written request by the owner within 6 months from date of non-approval letter.	30.00	20.00	-33

12 PROVISIONAL AUTHORISATION TO COMMENCE BUILDING WORK

This authorisation may only be granted with the favourable comment from Town planning & Engineering departments and the consent of the Executive Director: Development, Planning & Housing	1300.00	3500.00	169

13 PROVISIONAL AUTHORISATION TO OCCUPY A BUILDING

This authorisation may only be granted with the favourable comment of the Building Control Officer and the submitted completion certificate of the supervising engineer on site	1300.00	3500.00	169

14 AUTHORISATION FOR DEMOLITION WORK

This authorisation may only be granted with the favourable comment of all relevant departments and the consent of the Executive director: Development, Planning & Housing and the South African Heritage Resources Agency when applicable	650.00	700.00	7

15 APPLICATION FOR AN OCCUPATION CERTIFICATE

When an application is received for the issuing of an occupation certificate for a newly constructed dwelling or structure prior to occupancy, no tariff is charged.

16 APPLICATION FOR AN OCCUPATION CERTIFICATE AFTER OCCUPANCY

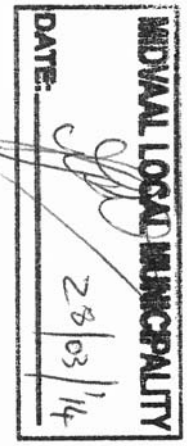
When an application is received for the issuing of an occupation certificate for an existing dwelling or structure where such certificate was not issued on completion of building work and prior to occupancy, an application tariff is charged.	1300.00	1500.00	15

17 EXEMPTIONS

The following applications are exempted from submission fees;

Applications in respect of any building to be erected by th estate or on behalf of the state. In this context "State" means an "Organ of State" as defined in Section 239 of the Constitution. This is interpreted as those institutions which are an intrinsic part of Government and those institutions outside the public service which are controlled by the State.

Building plans for all buildings and structures managed by the Local Authority, erected for and by the Local Authority. (Plans must be submitted and approved prior to construction.)



Building Plans submitted on existing structures for which can be proven to exist for longer than 30 years for which the plans does not exist or requires newly drawn plans for record purposes because of outdated and non legible plans dated 30 years ago

18 COPIES OF MONTHLY STATISTICS

Copies of monthly building statistics and schedules of approved plans per month per copy	55.00	100.00	80
Copies of documents from previously submitted documentation		Prices as per Schedule 19 + once off service fee of R10-00 per application.	

19 B & W 2D/ LINE DRAWING ON BOND PAPER:

Size A4 =	4.00	4.40	10
Size A3 =	6.00	6.60	10
Size A2 =	12.00	13.20	10
Size A1 =	18.00	19.80	10
Size A0 =	37.00	40.70	10

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20 Colour 2D/Line/GIS/POSTER ON BOND/COATED PAPER:

Size A4 =	no tariff	5.20	new
Size A3 =	32.00	11.50	-64
Size A2 =	65.00	40.00	-38
Size A1 =	140.00	63.25	-55
Size A0 =	250.00	120.75	-5700%

TOTALS	21224.00	343038.70	10.20%

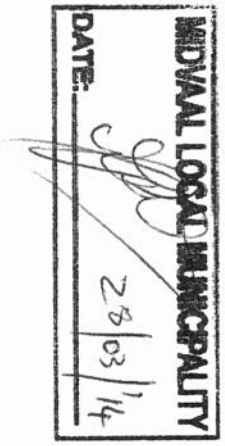
	DETERMINATION OF FEES FOR LAND USE APPLICATIONS 2013/2014				
	A. DETERMINATION OF FEES PAYABLE IN TERMS OF THE TOWN PLANNING AND TOWNSHIPS ORDINANCE, 1986 (ORDINANCE NO 15 OF 1986)				
		2013 Tariffs	Increase %	**Proposed 2014**	Increase %
1	Application for the consent of the Council [section 20(1):	1200.00	18.75	1200.00	0.00
2	Application for the consent of the Administrator [section 20(1)-regulation 42 applications]:	520.00	0.00	550.00	5.77
3	Application for an amendment of a Town-planning Scheme [section 56(1)(a)]:	3500.00	8.57	3750.00	7.14
4	Application for establishment of a township (section 96(2)(b) Applicant responsible for advertisement)	4500.00	0.00	4800.00	6.67
5	Application for an amendment of a township application [section 96(4)]:	3000.00	8.33	3150.00	5.00
6	Application for extension of boundaries of an approved township [section 88(1)]:	3500.00	4.29	3750.00	7.14
7	Application for phasing of Township application:	3500.00	4.29	3750.00	7.14
8	Subdivision of erven [section 92(1)(a)]:	1200.00	0.00	1250.00	4.17
9	Consolidation of erven [section 92(1)(b)]:	1200.00	20.83	1250.00	4.17
10	The withdrawal of an approved application for the subdivision/consolidation.	550.00	0.00	600.00	9.09
11	The amendment of the conditions on which the consolidation/subdivision was approved	600.00	8.33	650.00	8.33
12	An amendment of the approved consolidation or subdivision plan. S92(4)(a), S92(4)(c)	600.00	8.33	650.00	8.33
13	Preparation of Town-planning Scheme [section 125(3)] if prepared by Council:	3350.00	0.00	3500.00	4.48
14	Application for Council's reasons [section 56(9)and section 20(1)]	650.00	0.00	680.00	4.62
15	Application for amendment of the conditions on which consent was given in terms of the Ordinance	550.00	0.00	600.00	9.09
16	The revoking of an approved scheme/ the revoking of a provision in an approved scheme: S62 or S63	1450.00	0.00	1550.00	6.90
17	Relaxation of a building line provision/the approval of an encroachment on a building restriction area	500.00	10.00	550.00	10.00
18	Application for approval of site development plans	1200.00	20.83	1250.00	4.17
19	Section 82 certificate (per certificate)	300.00	16.67	350.00	16.67
20	Regulation 38 certificate & (per sub divided portion)	300.00	16.67	350.00	16.67
21	Merger of township	3400.00	0.00	3500.00	2.94
22	Request for extension of time for township application	800.00	6.25	850.00	6.25
	B. DETERMINATION OF FEES PAYABLE IN TERMS OF THE REMOVAL OF RESTRICTIONS ACT, 1996 (ACT 3 OF 1996)				
	NB: These tariffs may not be increased - subject to Provincial legislation				
1	Application for removal of Restrictive Constrictions	600.00	0.00	650.00	8.33
2	Simultaneous amendment, suspension/removal of conditions &amendment of a town planning scheme	2000.00	0.00	2000.00	0.00
3	Appeals against decision of authorised local authority:	2600.00	0.00	2800.00	7.69
	C. DETERMINATION OF FEES PAYABLE IN TERMS OF THE DIVISION OF LAND ORDINANCE, 1986 ORDINANCE NO. 20 OF 1986				
1	Application in terms of section 6(1)	2200.00	0.00	2250.00	2.27
2	Advertisement in terms of section 6(8)(a)	3750.00	0.00	4125.00	10.00
3	Fees payable to Council for inspecting a property relating to a hearing in terms of Section 17(2)(a)	1550.00	0.00	1600.00	3.23

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4	Application for amendment of the application for subdivision [section 17(3)]	600.00	13.33	650.00	8.33
5	Fees payable to Council if the Council gives notice of an application in the Official,Gazette/newspaper	4600.00	5.43	4650.00	1.09
	D. DETERMINATION OF CASH CONTRIBUTION AS PAYMENT IN LIEU OF ON-SITE PARKING				
	The following formula will be used				
	Cash contribution per parking bay = (P x M) + C				
	P = Size of parking area including manoeuvring area which is 30 square metres				
	M = Municipal valuation of the relevant land per square metre plus cost.				
	C = Construction cost per parking bay.				
	PROPERTY SECTION				
1	PARK CLOSURES	5600.00	0.00	5750.00	2.68
2	STREET CLOSINGS	5600.00	0.00	5750.00	2.68
3	Administration fees(New applications for the selling and leasing of Council property for residential, church, educational registered at GDE, welfare purposes and registered non-profitible organisations) or LED Projects			250.00	0.00
	E. PROVISION OF INFORMATION				
	General Town Planning information or any extraction from town planning scheme, per page (Size A4)	50.00	0.00	60.00	20.00
1	Issue of Zoning certificates, each	50.00	0.00	60.00	20.00
2	Inspection of any deed, document/diagram/ any relative particulars, including the issuing of a printout	50.00	0.00	60.00	20.00
3					
	Difference in increase %		**4.88%**		**7.46%**
	F. CHARGES FOR PLAN & MAPS -PLOTTING AND PRINTING				
	BLACK & WHITE 2D/LINE DRAWING ON BOND PAPER				
	SIZE A4	4.00	0.00	4.40	10.00
	SIZE A3	6.00	0.00	6.60	10.00
	SIZE A2	12.00	8.33	13.20	10.00
	SIZE A1	18.00	5.56	19.80	10.00
	SIZE A0	37.00	5.41	40.70	10.00
	COLOUR 2D/LINE/GIS/POSTER ON BOND/COATED PAPER				
	SIZE A3	32.00	6.25	11.50	-64.06

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	SIZE A2	64.00	6.25	40.00	-37.50
	SIZE A1	133.00	6.02	63.25	-52.44
	SIZE A0	254.00	5.51	120.75	-52.46
	COLOUR GIS/POSTER ON GLOSS PAPER				
	SIZE A3	48.00	6.25	50.00	4.17
	SIZE A2	95.00	5.26	100.00	5.26
	SIZE A1	189.00	5.82	200.00	5.82
	SIZE A0	375.00	5.33	380.00	1.33
			3.88%		-10.76%
					-14.64%
	Difference in increase %				



TARIFFS FOR FIRE & RESCUE 2014/15

		2013/2014	2014/2015
1	**EXTINGUISHING OF FIRES** (Excluding grass- bush-and rubbish fires)		
A	Call out fee per incident		
	Industrial Fire (High Risk)	R 1,710.00	R 1,813.00
	Industrial Fire (Low Risk)	R 854.00	R 905.00
	Residential	R 428.00	R 454.00
	Institutions	R 428.00	R 454.00
	Public Assembly	R 428.00	R 454.00
	Commercial	R 428.00	R 454.00
	Storage	R 428.00	R 454.00
	Shack or Informal housing	R 86.00	R 91.00
	Heavy Motor Vehicle Fire	R 428.00	R 454.00
	Motor vehicle, motor bike, trailer with content	R 172.00	R 182.00
	Train	R 854.00	R 854.00
	Lamp or electrical poles	R 172.00	R 182.00
	Transformers	R 428.00	R 454.00
	Tyres or Stacks of tyres	R 1,710.00	R 1,813.00
	Where damping down is nessesary	R 342.00	R 363.00
B	**Personnel**		
	Per Senior Officer(DIV OFF & ABOVE)	R 150.00	R 159.00
	Per Officer	R 115.00	R 122.00
	Per Senior Fireman	R 92.00	R 98.00
	Per Junior Fireman	R 65.00	R 69.00
	(Times to be calculated from the time that the personnel left the station until the fire has been reported as extinguished.)		
C	**Vehicles**		
	Per vehicle or per fire pump per hour or part thereof calculated from the time that the vehicle has left the station until the fire has been reported as extinguished.	R 860.00	R 912.00
D	**Material used- Foam per liter**		
	Real cost of the fire extinguishing material used including VAT and as certified by the Chief Fire Officer plus 20% — Silvex	R 76.00	R 81.00
	Hi-Exp	R 61.00	R 65.00
	Flame Block	R 44.00	R 46.00
2	**GRASS-, BUSH- AND RUBBISH FIRES**		
A	**Call out fee**		
	Grass fires - Flat rate (Sedibeng) per call	R 1,200.00	R 1,272.00
	Rubbish fires- Flat rate(Sedibeng) Per call	R 1,200.00	R 1,272.00
	Grass fires - Flat rate (residential) per call account sent to owner	R 1,200.00	R 1,272.00
	Rubbish fires- Flat rate(Residential) Per call account sent to owner	R 1,200.00	R 1,272.00
	Bales of feed or Hey stacks	R 1,710.00	R 1,813.00
	Where dumping down is nessesary	R 342.00	R 363.00

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B	Personnel					
	Per Senior Officer			R 150.00	R 159.00	
	Per Officer			R 115.00	R 122.00	
	Per Senior Fireman			R 92.00	R 98.00	
	Per Junior Fireman			R 65.00	R 69.00	
	(Times to be calculated from the time that the					
	personnel left the station until the fire has been					
	reported as extinguished.)					
C	Vehicles					
	Per vehicle or per fire pump per hour or part thereof			R 860.00	R 912.00	
	calculated from the time that the vehicle has					
	left the station until the fire has been reported as					
	extinguished.					
D	Material used					
	Real cost of the fire extinguishing material used					
	including VAT and as certified by the Chief Fire					
	Officer plus 20%					
3	HAZARDOUS MATERIAL INCIDENTS					
	OIL SPILLAGES ECT					
A	Call out fee			R 1,710.00	R 1,813.00	
B	Personnel					
	Per Senior Officer			R 150.00	R 159.00	
	Per Officer			R 115.00	R 122.00	
	Per Senior Fireman			R 92.00	R 98.00	
	Per Junior Fireman			R 65.00	R 69.00	
C	Vehicles					
	Where the services of a Fire pump is needed			R 860.00	R 912.00	
	(Per hour or part thereof calculated from the time the					
	vehicle left the station until the service is reported to					
	be completed.					
	Per kilometer (Traveled to and from the incident per					
	utility vehicle) (AA Tarifs)			R 7.00	R 6.33	
D	Per portable pump (Real working time of pump per hour)			R 86.00	R 91.00	
E	Per Fire hose (Per hour or part thereof)			R 18.00	R 19.00	
F	Per ladder used per call			R 86.00	R 91.00	
G	Real cost (VAT inclusive for consumable material					
	used plus 20% as certified by the Chief Fire Officer					
4	VEHICLE RESCUE (ACCIDENTS)					
	ENTRAPEMENT NO CHARGE					
5	WATER RESCUE					

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6	SPECIAL SERVICES (SPILLAGES MVA ,PVA,OTHER RESCUE ECT.)					
	SCENE MANAGEMENT PER SCENE					
A	Call out fee			R 860.00	R 912.00	
B	Personnel					
	Per Senior Officer			R 150.00	R 159.00	
	Per Officer			R 115.00	R 122.00	
	Per Senior Fireman			R 92.00	R 98.00	
	Per Junior Fireman			R 65.00	R 69.00	
C	Vehicles					
	Where the services of a Fire pump is needed			R 860.00	R 912.00	
	(Per hour or part thereof calculated from the time the					
	vehicle left the station until the service is reported to					
	be completed.					
	Per kilometer (Traveled to and from the incident per					
	utility vehicle) (AA Tarifs)			R 7.00	R 6.33	
	CALCULATED AMOUNT TO BE DIVIDED BETWEEN					
	PARTIES INVOLVED					
D	Per portable pump (Real working time of pump per hour)			R 86.00	R 91.00	
E	Per Fire hose (Per hour or part thereof)			R 18.00	R 19.00	
F	Per ladder used per call			R 86.00	R 91.00	
G	Real cost (VAT inclusive for consumable material	If damage				
	used plus 20% as certified by the Chief Fire Officer	cost of new +20%				
		If damage				
		cost of new +20%				
7	PROTECTION SERVICES (STANDBY SERVICES)					
	Where the presence of the Fire department is					
	compulsory with Fire pump and crew,					
	the company responsible for the					
	situation will be liable for the account.					
A	Call out fee			R 860.00	R 912.00	
B	Personnel					
	Per Senior Officer			R 150.00	R 159.00	
	Per Officer			R 115.00	R 122.00	
	Per Senior Fireman			R 92.00	R 98.00	
	Per Junior Fireman			R 65.00	R 69.00	
C	Vehicles					
	Where the services of a Fire pump is needed			R 860.00	R 912.00	
	(Per hour or part thereof calculated from the time the					
	vehicle left the station until the service is reported to					
	be completed.					
	Per kilometer (Traveled to and from the incident per					
	utility vehicle) (AA tarifs)			R 7.00	R 6.33	
D	Per portable pump (Real working time of pump per hour)			R 86.00	R 91.00	
E	Per Fire hose (Per hour or part thereof)	If damage		R 18.00	R 19.00	
		cost of new +20%				
F	Per ladder used per call	If damage		R 86.00	R 91.00	
		cost of new +20%				

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8	FILLING OF SWIMMING POOLS AND WATER TANKS					
	Hydrants must be within 90m from swimming pool or tank					
A	Basic levy			R 428.00	R 454.00	
B	Per fire hose per hour period or part thereof			R 18.00	R 19.00	
C	Per Officer			R 150.00	R 159.00	
	Per Senior Fireman			R 115.00	R 122.00	
	Per Junior Fireman			R 92.00	R 98.00	
D						
	Per kilometer (Calculated to and from the address) (AA Tarifs)			R 7.00	R 6.33	
E	If a fire truck is required 1ST HOUR			R 860.00	R 912.00	
F	The cost of the water as per ruling levy on residences			R 15.00	R 16.00	
G	On Sundays and Public holidays		Double the normal tariffs.			
H	**Reserviours,Dams rivers Ect realating to FPA**			**No Charge**	**No Charge**	
	10% PER HOUR OF AMOUNT ON A-E					
9	OTHER SERVICES					
A	Pumping of water from property:					
	1) Light pump with a capacity of up to 1125 1/min,					
	per hour or part thereof			R 644.00	R 683.00	
	2) Medium pump with a capacity of up to 2250 1/min,					
	per hour or part thereof			R 860.00	R 912.00	
	3) Heavy pump with a capacity of up to 4500 1/min,					
	per hour or part thereof			R 860.00	R 912.00	
	Per Officer			R 150.00	R 159.00	
	Per Senior Fireman			R 115.00	R 122.00	
	Per Junior Fireman			R 92.00	R 98.00	
B	Using Compressor per hour or part thereof			R 94.00	R 100.00	
	Per Officer			R 150.00	R 159.00	
	Per Senior Fireman			R 115.00	R 122.00	
	Per Junior Fireman			R 92.00	R 98.00	
C	Emergency Rescue unit per hour or part thereof				No Charge	
	Per Officer					
	Per Senior Fireman					
	Per Junior Fireman					
D	Any other duty not mentioned under item 9 per hour or					
	part thereof			R 172.00	R 182.00	
	Where the services of a Fire pump is needed			R 644.00	R 683.00	
	(Per hour or part thereof calculated from the time the					
	vehicle left the station until the service is reported to					
	be completed.)					
	Per kilometer (Traveled to and from the incident per					
	utility vehicle) (AA Tarifs)			R 7.00	R 6.33	
	Per Officer			R 150.00	R 159.00	
	Per Senior Fireman			R 115.00	R 122.00	
	Per Junior Fireman			R 92.00	R 98.00	
				R 65.00	R 69.00	
E	Firebreaks - Flat Rate			R 360.00	R 382.00	
	Where the services of a Fire pump is needed- Flat Rate			R 360.00	R 382.00	
10	SPECIAL EVENTS					
A	CALL OUT FEE PER EVENT			R 860.00	R 912.00	
B	FIRE VEHICLE			R 860.00	R 912.00	
C	PER OFFICER			R 115.00	R 122.00	
D	PER SENIOR FIRE FIGHTER			R 92.00	R 98.00	
E	PER JUNIOR FIRE FIGHTER			R 65.00	R 69.00	

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11	FIRE SAFETY					
A1	**Inspection on request(limited to two inspections)**					
	CERTIFICATE OF COMPLIANCE			R 172.00	R 182.00	
	Residential			R 127.00	R 135.00	
	Institutions			R 127.00	R 135.00	
	Public Assembly			R 127.00	R 135.00	
	Commercial			R 172.00	R 182.00	
	Storage			R 172.00	R 182.00	
	Industry			R 172.00	R 182.00	
	Fire Work Display / Storage			R 172.00	R 182.00	
	Per kilometer (Traveled to and from the incident per utility vehicle) (AA Tarifs)			R 7.00	R 6.33	
	Re-inspection of premises - per re-inspection					
	Trade Licenses			R 172.00	R 182.00	
	Residential			R 127.00	R 135.00	
	Institutions			R 127.00	R 135.00	
	Public Assembly			R 127.00	R 135.00	
	Commercial			R 172.00	R 182.00	
	Storage			R 172.00	R 182.00	
	Industry			R 172.00	R 182.00	
	Fire Work Display / Storage			R 172.00	R 182.00	
A2	**Consultation**					
	Trade Licenses			R 172.00	R 182.00	
	Residential			R 127.00	R 135.00	
	Institutions			R 127.00	R 135.00	
	Public Assembly			R 127.00	R 135.00	
	Commercial			R 172.00	R 182.00	
	Storage			R 172.00	R 182.00	
	Industry			R 172.00	R 182.00	
	Fire Work Display / Storage			R 172.00	R 182.00	
	Fire Reports			R 95.00	R 101.00	
	Compliance Certificate			R 172.00	R 182.00	
	Occupancy Certificate			R 172.00	R 182.00	
	Inspection on request			R 172.00	R 182.00	
	Km travelled to and from (AA Tarifs)			R 7.00	R 6.33	
B	**Transport permits**					
	In respect of quantiries in B1					
B1	**In respect of quantities**					
	Up to including 2500 liters			R 86.00	R 91.00	
	Up to including 5000 liters			R 121.00	R 128.00	
	Up to including 25 000 liters			R 186.00	R 197.00	
	Up to including 50 000 liters			R 256.00	R 271.00	
	Exceeding 50 000 liters			R 281.00	R 298.00	
	Per kilometer (Traveled to and from the incident per utility vehicle) (AA Tarifs)			R 7.00	R 6.33	
	Inspection on request			R 172.00	R 182.00	
C	**Certificate of Registration Flammable liquids/Gas**					
	Class:0, I ,II,III					
	Up to including 2500 liters			R 102.00	R 108.00	
	Up to including 5000 liters			R 204.00	R 216.00	
	Up to including 25 000 liters			R 1,024.00	R 1,085.00	
	Up to including 50 000 liters			**R 2,050.00**	**R 2,173.00**	
	up to including 100 000 liters			**R 2,302.00**	**R 2,440.00**	
	Bulk Depots exceeding 100 000			**R 2,586.00**	**R 2,741.00**	
	Per Spray Booth			R 102.00	R 108.00	
	Per Flammable liquid Store			R 102.00	R 108.00	
	Per Spray Booth			R 102.00	R 108.00	
	Per Flammable liquid / PaintStore			R 102.00	R 108.00	
	Per kilometer (Traveled to and from the incident per utility vehicle) (AA Tarifs)			R 7.00	R 6.33	
	Inspection on request					

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D	FIRE RISK AND RATIONAL ASSESSMENTS					
	Fire Risk Assessment([PER HOUR)			R 445.00	R 472.00	
	Health & Safety Gap analysis(PER HOUR)			R 445.00	R 472.00	
	Fire Risk & Health and Safety analysis(PER DAY)			R 3,696.00	R 3,918.00	
	COMPILING /PRINT REPORT			R 500.00	R 530.00	
	Emergency Preparedeness (evacuations)			R 318.00	R 337.00	
	Rational on Thatch roofs(PER PLAN)			R 1,081.00	R 1,146.00	
	Flameble Liquids (quantity x 0.235)					
	Fire Protection Plans Evaluation/COMPILING PER M²			R 1.80	R 1.90	
	FIRE REPORT			R 80.00	R 85.00	
	FIRE INVESTIGATION CAUSE DETERMINATION PER HOUR			R 318.00	R 337.00	
	ALL AMOUNTS ARE VAT INCLUSIVE					

Chief Fire Officer:H.Steyn:

ED Protection:E.Lensley

Councilor:J.Botsoere

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ANNEXURE

PROTECTION SERVICES – TARIFF OF CHARGES 2014/2015 FINANCIAL YEAR

TRAFFIC SECTION

	Description of Services	Tariffs 2013/2014	Tariffs 2014/2015
1.	Attendance of Traffic Officer(s) per occasion for an hour or part thereof+ vehicle	R 72.00 R400.00	R 76.00 R424.00
2.	For an hour or part thereof after hours at time and half @ 1-1/2) + vehicle	R114.00 R400.00	R121.00 R424.00
3.	Attendance of traffic officer during public holidays/Sundays. Double time (x2) + vehicle	R153.00 R400.00	R162.00 R424.00
	- Marches to be charged according to Traffic Officers Overtime rates		
4.	Attendance of patrol for an hour or part thereof	R400.00	R424.00
5.	Towing fees costs plus 10% to defray handling costs: Storage fees for impounding vehicles Per day	R102.00	R108.00
6.	Requests for copies of accident report	R137.00	R145.00
7.	<u>Traffic escorts per hour or part thereof</u> Funerals Abnormal vehicles + km traveling @ 4-30p/km	No charge R400.00	No Charge R424.00
8.	<u>Trade license</u>: Business premises (once off) Food caravan Monthly subscription Health facilities or entertainment Providing massage Keeping three or more snooker/billiard table Night club Cinema and theatre Issuing of duplicates of licenses: Premises For food caravan	R332.00 R229.00 R 86.00 R206.00 R342.00 R258.00 R513.00 R258.00 R214.00 R114.00	R352.00 R243.00 R 91.00 R218.00 R363.00 R273.00 R544.00 R273.00 R227.00 R121.00

MIDVAAL LOCAL MUNICIPALITY
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	Amending or revoking licensing conditions:		
	Premises	R214.00	R227.00
	For a food caravan	R114.00	R121.00
9.	Temporary road closure:		
	Filming	R400.00	R424.00
	Flea markets	R400.00	R424.00
10.	Hawker's license/Application:		
	CBD	R229.00	R243.00
	Outside areas	R172.00	R182.00
	Monthly subscription:		
	CBD	R 64.00	R 68.00
	Outside areas	R 52.00	R 55.00
	Hawking at pension pay point (per day)	R 28.00	R 30.00
	Impounding fee	R250.00	R265.00
	Storage fee consumable	R 72.00	R 76.00
	Storage fee non-consumable	R 72.00	R 76.00
	Traveling distance per/km from were impound takes place to station	R 6.00	R 6.50
	Posters impounded	R 29.00	R 31.00
11.	**Charges payable for mobile signs**		
11.1	Aerial signs:		
	Aerial signs per 24 hours or part thereof, per aerial sign	R206.00	R218.00
12.	**Trailer advertisement**		
12.1	Single sided trailer advertisement for the first m^2 or part thereof	R218.00	R231.00
	Thereafter for each m^2 or part thereof per month	R 19.00	R 20.00
12.2	Double sided trailed signs on which identical advertisements appear	R257.00	R272.00
	For the first m^2 or part thereof of the advertisement area, thereafter for each m^2 or part thereof per month.	R 29.00	R 31.00
12.3	Signs on trailers on which advertisements of different organizations appear	R218.00	R231.00
	For the first m^2 or part thereof the advertisement area, thereafter for each m^2 or part thereof per organization per month	R 19.00	R 20.00

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13. **Posters**

13.1	Posters or any placard advertising any product or services or announcing the sale goods: Deposit (Refundable) Rental	R 72.00 R 72.00 Per poster	R 76.00 R 76.00 Per poster
	Posters for National, Provincial and Local Government Election and activities	R10 000.00	R10 000.00
13.2	Advertising Board/signs: Registration Fee per annum Stickers per board	R337.00 R 6.00	R357.00 R 6.50
	Outdoor advertising:		
	Banner – Loch Street	R281.00	R298.00
	Banner – Mimosa Street	R281.00	R298.00
	Banner Application Henley on Klip	R281.00	R298.00
	Banner Deposit	R281.00	R298.00

A. Mpai
Chief Traffic Officer

E. Lensley
ED Protection Services

Cllr J. Botsoere

MIDVAAL LOCAL MUNICIPALITY
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MIDVAAL LOCAL MUNICIPALITY
TARIFF FOR GRASS CUTTING
AS FROM 1 JULY 2014

Grass cutting of private stands on request or in terms of the Health Act (2003)

Up until 1 000 m^2	R	1 600.00	
Over 1 000m^2	R	550.00	per 1 000m^2 or part thereof

MIDVAAL LOCAL MUNICIPALITY
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MIDVAAL LOCAL MUNICIPALITY

DETERMINATION OF CHARGES PAYABLE IN TERMS OF STANDARD PUBLIC AMENTIES BY-LAWS

SCHEDULE 6

ADMISSION CHARGES: SWIMMING POOLS 2014/2015

ITEM	FEES/TARIFFS 2013/2014	FEES/TARIFFS 2014/2015
1. Single admission ticket	• Adults – **R8.00** • Scholars – **R5.50**	• Adults – **R8.50** • Scholars – **R6.00**
2. Season tickets for school groups	Monday – Friday from 10:00 –14:00 **R1 000.00**	Monday – Friday from 10:00 – 14:00 **R1 060.00**
3. Monthly Tickets	• Adults – **R75.00** • Scholars – **R40.00** • Children under 5 years (must be accompanied by an adult) – **free**	• Adults – **R80.00** • Scholars – **R42.50** • Children under 5 years (must be accompanied by an adult) – **free**
4. Clubs – Diving club	Weekends : Sat. 07:00–10:00 & Sun 07:00–12:00 – **R370.00** per month	Weekends : Sat. 07:00–10:00 & Sun 07:00–12:00 – **R395.00** per month
5. Clubs – Hockey Club	Weekdays : Monday to Friday 19:00–22:00 – **R380.00** per month	Weekdays : Monday to Friday 19:00–22:00 – **R402.00** per month
6. Clubs – Swimming Club	Weekdays : Monday to Friday 16:00 – 17:30 – **R380.00** per month	Weekdays : Monday to Friday 16:00 – 17:30 – **R402.00** per month
7. Hours	• Mondays closed • Tuesdays to Saturdays and public holidays 10:00–18:00 • Sundays 12:00–18:00	• Mondays closed • Tuesdays to Saturdays and public holidays 10:00–18:00 • Sundays 12:00–18:00

MIDVAAL LOCAL MUNICIPALITY
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MEYERTON CEMETRY TARIFFS

Esme Elford, Admin Assitant, Parks and Cemeteries, Tel no 016 - 360 7594, Fax no: 016 - 362 0509, email address EsmeE@midvaal.gov.za	CATEGORY C MEYERTON SOUTH NEW KOOKRUS RATE		CATEGORY A MEYERTON RIVERSDAL OLD KOOKRUS RATE	
Miscellaneous				
	Sicelo 2014/2015	Sicelo 2013/2014	Meyerton 2014/2015	Meyerton 2013/2014
Plot Reservation	R 387	R 365	R 387	R 365
Transferral Rights	R 387	R 365	R 387	R 365
Headstone Section Permit	R 387	R 365	R 387	R 365
Ashes buried or scattered	R 387	R 365	R 387	R 365
Niche	R -		R 1 044	R 985
Indigent	R 536	R 506	R -	
Pauper	R 536	R 506	R -	
Exhumation	R 5 121	R 4 831	R 5 121	R 4 831
TARIFF FOR NON-RESIDENT IS 30 % ADDED TO NORMAL FEE				
WEEKDAY OPENINGS & RE-OPENINGS				
Monumental				
Child Size	R 512	R 483.00	R 1 548	R 1 460
Standard/Adult Size(New/Re-open)	R 602	R 568.00	R 2 918	R 2 753
Opening & Casket	R 1 299	R 1 225.00	R 3 585	R 3 382
Opening & 8ft	R 1 299	R 1 225.00	R 3 585	R 3 382
Opening & 8ft & Casket	R 1 965	R 1 854.00	R 4 252	R 4 011
Headstone				
Child Size	R 512	R 483.00	R 1 251	R 1 180
Standard/Adult Size(New/Re-open)	R 602	R 568.00	R 1 465	R 1 382
Opening & Casket	R 1 299	R 1 225.00	R 2 132	R 2 011
Opening & 8ft	R 1 299	R 1 225.00	R 2 132	R 2 011
Opening & 8ft & Casket	R 1 965	R 1 854.00	R 2 798	R 2 640
WEEKEND OPENINGS & RE-OPENINGS				
Monumental				
Child Size	R 1 114	R 1 051.00	R 2 938	R 2 772
Standard/Adult Size(New/Re-open)	R 1 251	R 1 180.00	R 3 427	R 3 233
Opening & Casket	R 1 918	R 1 809.00	R 4 057	R 3 827
Opening & 8ft	R 1 918	R 1 809.00	R 4 057	R 3 827
Opening & 8ft & Casket	R 2 584	R 2 438.00	R 4 685	R 4 420
Headstone				
Child Size	R 1 114	R 1 051.00	R 2 816	R 2 657
Standard/Adult Size(New/Re-open	R 1 251	R 1 180.00	R 2 966	R 2 798
Opening & Casket	R 1 918	R 1 809.00	R 3 633	R 3 427
Opening & 8ft	R 1 918	R 1 809.00	R 3 633	R 3 427
Opening & 8ft & Casket	R 2 584	R 2 438.00	R 4 299	R 4 056

MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/14

MIDVAAL LOCAL COUNCIL

DETERMINATION OF TARIFFS FOR THE ISSUING OF CERTIFICATES AND FURNISHING OF INFORMATION 2014/15

1.	Copies of the voters' roll of any ward, for each copy:	- **R496.00**
2.	Copies of valuation roll, per copy:	- **R427.00**
3.	Any certificate in terms of the Local Government Ordinance, 1939, or any other Ordinance applicable to the Council, each:	- R 49.00
4.	The furnishing, in writing, in accordance with the records of the Council, of any information not provided for in these tariffs relating to properties situated within the municipality, including the search for the name or address or both of the owner, according to written inquiry in the manner determined by the Municipal Manager from time to time, each:	- R 33.00
5.	Inspection of any deed, document or diagram or any relative particulars, including the issuing of a printout, each:	- R 33.00
6.	Issue of any valuation certificate, each:	- R 23.00
7.	Endorsements on declaration by purchaser forms, each:	- R 42.50
8.	For any certificate, information, extract from or perusal of a document or record for which no explicit provision has been made in these tariffs, each:	- R 50.00
9.	For any certificate, information, extract from or Perusal of a document or record for which no explicit provision has been made in these tariffs, each:	- **R 53.00**
10.	Minutes of the Council Meetings including the Budget: Provided singular extracts only will entail a search fee and cost per page as below.	- **R338.00**
11.	Written warning prior to suspension of services, per warning:	- R 30.50
12.	Alphabetical numerical computer printed address lists, each Compact disk	- **R499.00**

MIDVAAL LOCAL MUNICIPALITY
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13. Copies of monthly building statistics and schedule of approved plans, per copy: - R 47.00

14. Provision authorization to commence building work - R1 000.00

15. Provision authorization to occupy a building - R1 000.00

16. Authorization of a permit for demolition work - R 500.00

17. Charges for plan copies:

Paper:

Size A4 - R 4.00

Size A3 - R 6.00

18. Photocopies at one of the printing Offices, each:

Size A4 - R4.00

Size A3 - R6.00

19. Photocopies of Council documents, Size A4: - R4.00

Photocopies of Council documents, Size A3: - R6.00

19. Requests for Access/Information in terms of promotion of Access to Information Act, 2000:

Access fee	R48.00
Search fee	R48.00 per hour
Copy charges	As above

MIDVAAL LOCAL MUNICIPALITY
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MIDVAAL LIBRARIES DRAFT TARIFFS 2014/15

ITEM	CURRENT TARRIFS 2013/2014	PROPOSE TARRIFS 2014/2015
1. Adult Membership	No charge Outside Municipality area-R60.00	No charge Outside Municipality area-R60.00
2. Children Membership	No charge Outside Municipality area-R30.00	No charge Outside Municipality area-R30.00
3. Family Membership	No charge Outside Municipality area=R120.00	No charge Outside Municipality area=R120.00
4. Pensioners 60 and above	No charge	No charge
5. Block Loans (School/Home based schools)	No charge	No charge
6. Fines (books, CD's, Video's)	R1.00 per week or part of a week per item	R1.00 per week or part of a week per item
7. Media lost (books, CD's etc.)	Replacement value	Replacement value
8. Lost user cards	R10. 00 per replacement card	R20.00
9. Photocopies	R0.50 per A4 copy R1.00 per A3 copy R5.00 per A4 copy (coloured)	R0.50 per A4 copy R1.00 per A3 copy R5.00 per A4 copy (coloured)
10. Fax Transmission	• Local calls (016/0860)-R4.00 p.p • Long distance & 0861/4-R5.00 p.p • Fax2email & cell phone calls (0865-0869/082/072/083/073/060/061/081	• Local calls (016/0860)-R4.00 p.p • Long distance & 0861/4-R5.00 p.p • Fax2email & cell phone calls (0865-0869/082/072/083/073/060/061/081
11. Fax received	R4.00 p.p	R4.00 p.p
12. Computer printouts	• Black on white-R4.00 p.p • Colour-R5.00 p.p	• Black on white R2.00 p.p • Colour R5.00 p.p
13. Hiring of Activity Room	• R100.00 (08h00-12h00) • R100.00 (13h00-17h00)	• R200.00 (08h00-12h00& 13h00-17h00) with R100.00 deposit for booking and refundable if everything is still in place and room is clean.

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MIDVAAL LOCAL MUNICIPALITY

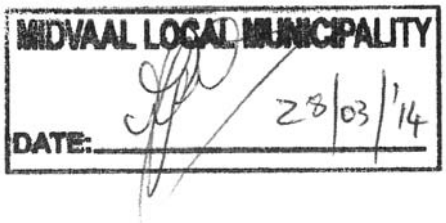
FINANCE SUNDRY TARIFFS

ITEM	DESCRIPTION	2013/2014	2014/2015	
1.	Warning Notices	R90.00	R100.00	
2.	Final Notices	R30.00	R35.00	
3.	Admin Fees Disconnection Water and Elec	R402.00	R450.00	
4.	Admin Fees Disconnection Water	R375.00	R450.00	
5.	Admin Fees Disconnection Elec	R402.00	R450.00	
6.	Dishonoured Cheque	R11.50	R13.00	
7.	Refer to Drawer Cheque	R70.00	R77.00	
8.	Post Dated Cheque	R55.00	R60.00	
9.	Printing and mailing of Accounts	R0.00	R5.50	New tariff
10.	Interest on arrears. Prime rate as at			
	1st of July 2014 Plus 2%			

All Abovementioned Tariffs excludes VAT

MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/14

MIDVAAL
LOCAL MUNICIPALITY



TARIFF BY-LAW

MIDVAAL LOCAL MUNICIPALITY
TARIFF BY-LAW

To give effect to the implementation of the Midvaal Local Municipality's tariff policy and to provide for matters incidental thereto.

Preamble

1. Section 229(1) of the Constitution of the Republic of South Africa authorizes a municipality to impose

 (a) Rates on property and surcharges on fees for services provided by or on behalf of the municipal, and

 (b) If authorized by national legislation, other taxes, levies and duties.

2. In terms of section 75A of the Systems Act, 32 of 2000, a municipality may:

 (a) Levy and recover fees, charges or tariffs in respect of any function or services of the municipality, and

 (b) Recover collection charges and interest on any outstanding debt.

3. In terms of section 74(1) of the Systems Act, 32 of 2000, a municipal council must adopt and implement a tariff policy on the levying of fees for a municipal service provided by the municipality or by way of services delivery agreements and which complies with the provisions of the systems act, the Local Government Municipal Finance Management Act, 53 of 2003 and any other applicable legislation.

4. In terms of section 75(1) of the Systems Act, 32 of 2000, a municipal council must adopt by-laws to give effect to the implementation and enforcement of its tariff policies.

5. In terms of section 75(2) of the Systems Act, 32 of 2000, by-laws adopted in terms of subsection 75(1) may differentiate between different categories of users, debtors, service providers, services, service standards and geographical areas as long as such differentiation does not amount to unfair discrimination.

MIDVAAL LOCAL MUNICIPALITY
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BE IT THEREFORE ENACTED by the Council of the Midvaal Local Municipality, as follows:-

Definitions

In this By-Law any word or expression to which a meaning has been assigned in the Act, shall bear the same meaning in these By-laws, and unless the context indicates otherwise—

"**Council"** means the Council of the Midvaal Local Municipality;

"**Credit Control and Debt Collection By-law and policy"** means the Credit Control and Debt Collection Policy as required in terms of section 96(b) and 97 and 98 of the Local Government: Municipal Systems Act, Act 32 of 2000;

"Tariff" means fees, charges or any other tariffs levied by the council in respect of any function or service provided by the Council, excluding rates levied by the council in terms of the Local Government Municipal: Property Rates Act; Act 6 of 2004;

"Tariff policy" means a tariff policy adopted by Council in terms of this By-law.

1. Guiding principles in the determination of tariffs.

In the determination of tariffs the Council shall be guided by the following principles –

i. Tariffs shall be equitable and affordable in that the amount due for municipal services should generally be in proportion to their use of that service;
ii. Tariffs shall support national macro-economic policies and shall incorporate visions, strategies and economic policies of the Republic of South Africa
iii. Tariffs shall be cost effective and cost reflective and should reflect the cost reasonably associated with rendering municipal services, including capital, operating, maintenance, administration, replacement costs and financing charges;
iv. Tariffs shall promote the sustainability of the provision of municipal services.

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2. Application of By-law

This by-law shall only apply to tariffs applicable to the Midvaal Local Municipality, being:

Fees, surcharges on fees, charges and tariffs in respect of municipal services, such as –

i. provision of water;
ii. refuse removal;
iii. sewerage;
iv. removal and purification of sewerage;
v. electricity consumption;
vi. municipal services provided through prepaid meters.
vii. all other related costs for services rendered in terms of the service
viii. interest which has accrued or will accrue in respect of money due and payable to the Council;
ix. collection charges in those cases where the Council is responsible for
 (aa) the rendering of municipal accounts in respect of any one or more of the municipal services;
 (bb) the recovery of amounts due and payable in respect thereof, irrespective whether the municipal services, or any of them, are provided by the Council itself or by a service utility with which it has concluded a service provider agreement to provide a service on the municipality's behalf.

3. Adoption and implementation of Tariff Policy

The council shall adopt and implement a tariff policy on the levying of fees for a municipal service provided by the council or by way of service delivery agreements which complies with the provisions of the Local Government: Municipal Systems Act, 32 of 2000, the Local Government Municipal Finance Management Act, 56 of 2003 and any other applicable legislation.

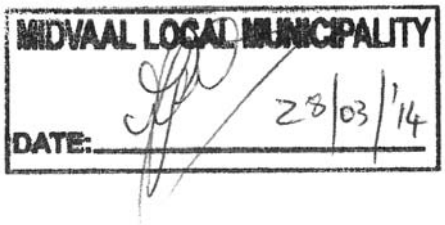
MIDVAAL LOCAL MUNICIPALITY
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4. Enforcement of Tariff Policy

The Council's tariff policy shall be enforced through the Credit Control and Debt Collection By-Law and policy and any further enforcement mechanism stipulated in the Council's tariff policy.

5. Short title and commencement

This By-law is the Tariff By-law, and takes effect on 1 July 2014.



MIDVAAL
LOCAL MUNICIPALITY

TARIFFS POLICY

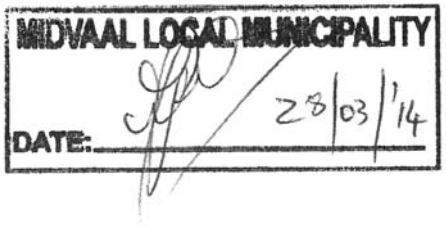
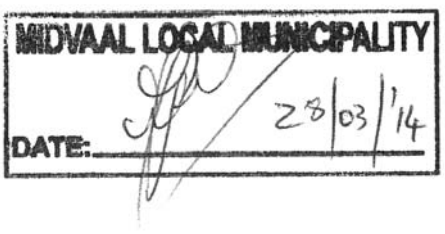


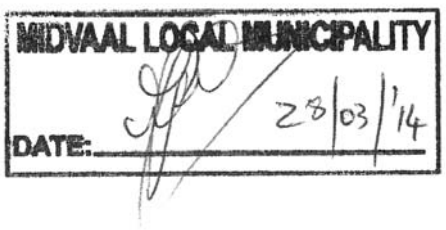
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ABBREVIATIONS

MLM	Midvaal Local Municipality
AO	Accounting Officer
CFO	Chief Financial Officer
MFMA	Municipal Finance Management Act
MPRA	Municipal Property Rates Act
MSA	Municipal Systems Act
PPE	Property, Plant and Equipment
SCM	Supply Chain Management
VAT	Value Added Tax
IBT	Inclining Block Tariff
kWh	Kilowatt per Hour (Kilowatt Hour)
KVA	Kilowatt Ampere
KL	Kilolitre
c/kWh	Cent per Kilowatt Hour
R/kWh	Rand per Kilowatt Hour

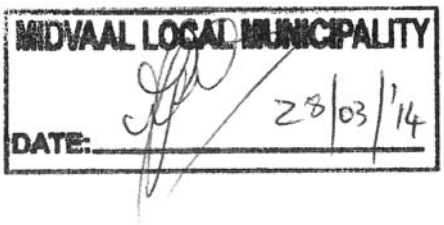


1. PURPOSE OF THIS DOCUMENT

Apart from meeting legislative requirements, this policy also emanates from the objectives determined in Council's anti-corruption policy.

The purpose of this tariff policy is to prescribe the accounting and administrative policies and procedures relating to the determining and levying of tariffs by the Midvaal Local Municipality.

The Municipality should perform the procedures set out in this policy to ensure the effective planning and management of tariffs. In setting its annual tariffs the council shall at all times take due cognisance of the tariffs applicable elsewhere in the economic region, and of the impact which its own tariffs may have on local economic development.



2. DEFINITIONS

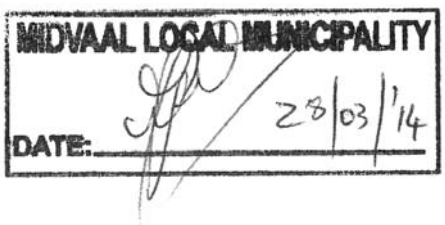
"Accommodation" means accommodation in an accommodation establishment, a room, dwelling/ house or second dwelling unit, self-catering room, self-catering apartment or free standing building let to transient guests consisting of three or more lettable units.

"Accommodation Establishments" – consists of one or more of the following lettable types of accommodation, consisting of three or more lettable units –

(a) "Camping" (informal temporary accommodation in a unique environment) is defined by a property used for erection of tents or other temporary structures for temporary accommodation for visitors or holiday-makers, which includes ablution, cooking and other facilities that are reasonably and ordinarily related to camping , for use of such visitors, and includes a caravan park, whether publicly or privately owned, but which excludes the alienation of land on the basis of time sharing, sectional title share blocks or individual subdivision; and excludes resort accommodation or mobile homes;

(b) "Bed and Breakfast" (accommodation in a dwelling-house or second dwelling unit for transient guests) is defined by a dwelling-house or second dwelling in which the owner of the dwelling supplies lodging and meals for compensation to transient guests who have permanent residence elsewhere; provided that the primary use of the dwelling-house concerned shall remain for the living accommodation of a single family and where not more than 3 guest rooms are provided;

(c) "Guest House" (accommodation in a dwelling-house or second dwelling unit for transient guests) is defined by a dwelling-house (with a maximum of 10 rooms) or second dwelling which is used for the purpose of supplying lodging and meals to transient guests for compensation, in an establishment which exceeds the restrictions of a bed and breakfast establishment and may include business meetings, training sessions and conference facilities for resident guests;



(e) “Self-catering Apartments” (accommodation for non-permanent residents and transient guests) is defined by a building or group of buildings consisting of separate accommodation units, each incorporating a kitchen / -ette facility, and which may include other communal facilities for the use of transient guests, together with outbuildings as are normally used therewith; which are rented for residential purposes and may include holiday flats; but does not include a hotel, dwelling-house, second dwelling or group house;

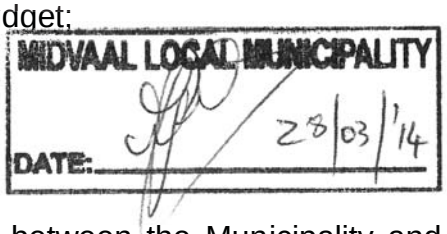
(f) “Backpackers Accommodation” (accommodation and communal facilities in a building or free standing buildings for transient guests) is defined by a building where lodging is provided, and may incorporate cooking dining and communal facilities for the use of lodgers, together with such outbuildings as are normally used therewith and includes a building in which dormitories/rooms/beds are rented for residential purposes, youth hostel, and backpackers’ lodge; but does not include a hotel, dwelling house, second dwelling or group house;

(g) “Boarding House” a dwelling–house or second dwelling which is used for the purpose of supplying lodging with or without meals or self-catering to non-permanent/permanent residents for compensation; provided that the primary use of the dwelling-house shall remain for the living accommodation of a single family;

"Account" means an account rendered specifying charges for municipal services provided by the **Municipality**, or any authorised and contracted service provider, and which account may include assessment rates levies;

“Accounting Officer” means the municipal manager appointed in terms of Section 60 of the Municipal Finance Management Act;

“Annual Budget” shall mean the budget approved by the municipal council for any particular financial year, and shall include any adjustments to such budget;



“Annually” means once every financial year;

"Arrangement" means a written agreement entered into between the Municipality and the customer where specific repayment parameters are agreed to. Such arrangement does not constitute a credit facility envisaged in terms of section 8(3) of the National Credit Act but is

deemed to be Incidental Credit as envisaged in terms of section 4(6)(b) read with section 5(2) and (3) of the National Credit Act;

"Arrears" means those rates and service charges that have not been paid by the due date and for which no arrangement has been made;

"Authorised Representative" means a person or instance legally appointed by the Municipality to act or to fulfill a duty on its behalf;

"Basic Municipal Services" shall mean a municipal service necessary to ensure an acceptable and reasonable quality of life, which service – if not provided – would endanger public health or safety or the environment;

"Billing Date" means the date upon which the monthly statement is generated and debited to the customer's account;

"Business and Commercial Property" means -

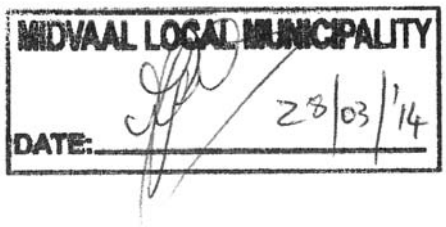
(a) property used for the activity of buying, selling or trading in commodities or services and includes any office or other accommodation on the same property, the use of which is incidental to such activity; or
(b) property on which the administration of the business of private or public entities take place.

"By-law" shall mean legislation passed by the council of the Municipality, and which shall be binding on the Municipality and on the persons and institutions to which it applies;

"Calendar year" shall mean 12 consecutive months of a financial year(s);

"Category" –

(a) in relation to a property, means a category of properties determined in terms of section 8(2) of the Municipal Property Rates Act;
(b) in relation to the owners of property, means a category of owners determined in terms of section 15(2) of the Municipal Property Rates Act.



"Chief Financial Officer" means the person appointed as the Chief Financial Officer of the Municipality, or his or her nominee;

“Consumer Price Index” shall mean the CPIX as determined and gazetted from time to time by the South African Bureau of Statistics;

"Consolidated Account" means an account which is a consolidation of any separate accounts of a person who is liable for payment to the Municipality;

"Council" means the Council of the Midvaal Local Municipality;

“Councillor” shall mean a member of the Council of the Municipality;

"Credit Control" means all the functions relating to the collection of monies owed by ratepayers and the users of municipal services;

"Customer" means the occupier of any premises to which the Municipality has agreed to supply or is actually supplying municipal services, or if no occupier can be identified or located, then the owner of the premises and includes any customer of the Municipality;

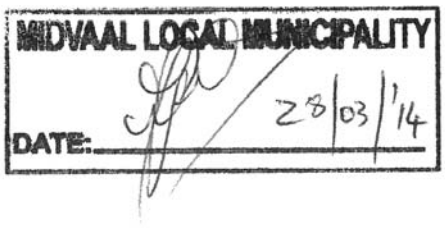
"Day/Days" means calendar days, inclusive of Saturdays, Sundays and public holidays;

"Debt Collectors" means an external person or entity appointed by the Municipality to collect monies due and payable to the Municipality, subject to the conditions contained herein;

"Defaulter" means any person who owes arrears to the Municipality;

"Delivery Date" shall mean the date on which the periodic account is delivered to the customer or 3 days after **the** date the account was posted, whichever is the first;

"Director Income" Means the Senior Official in a division of the Municipality’s Finance Department, overall responsible for the collection of monies owed to the Municipality and/or any other official to whom he/she has delegated duties and responsibilities in terms of this policy;



“Domestic Customer or User” of municipal services shall mean the person or household which municipal services are rendered in respect of “residential property” as defined below;

"Due Date" in relation to -

(a) rates due in respect of any immovable property, means:-

- the date for payment indicated on the account, in the case where rates are levied on a monthly basis are the 7th of the month; or

(b) should such day fall on a Saturday, Sunday or public holiday the due date will remain the 7th of the month.

“Dwelling” means a building, structure or place of shelter to live in or conduct business from;

"Electricity Charges" means service charges in respect of the provision of electricity;

“Farm Property or Small Holding used for agricultural purpose” – means property that is used for the cultivation of soils for purposes of planting and gathering in of crops; forestry in the context of the planting or growing of trees in a managed and structured fashion; the rearing of livestock and game or the propagation and harvesting of fish, but excludes the use of a property for the purpose of eco-tourism; and in the respect of property on which game is reared, trade or hunted, it excludes any portion that is used for commercial or business purposes. In this definition such properties could also be included within the urban edge of a town;

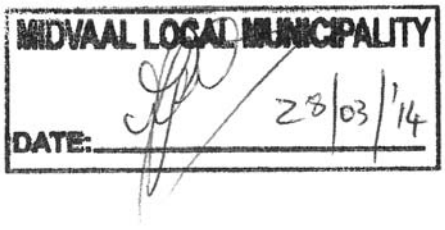
“Farm Property or Small Holding not used for any purpose” – means agricultural property or an agricultural zoned land unit which is not used for farming purposes, regardless of whether such portion of such property has a dwelling on it which is used as a dwelling and must be regarded as residential property

“Financial Year” shall mean the period starting from 1 July in any year and ending on 30 June of the following year;

"Immovable Property" also includes -

(a) an undivided share in immovable property, and

(b) any right in immovable property.



"Implementing Authority" means the Municipal Manager or his or her nominee, acting in terms of section 100 of the Local Government: Municipal Systems Act No. 32 of 2000;

"Indigent Customer" means the head of an indigent household:-

(a) who applied for and has been declared indigent in terms of Council's Indigent Support Policy for the provision of services from the Municipality; and

(b) who makes application for indigent support in terms of Council's Indigent Support Policy on behalf of all members of his or her household;

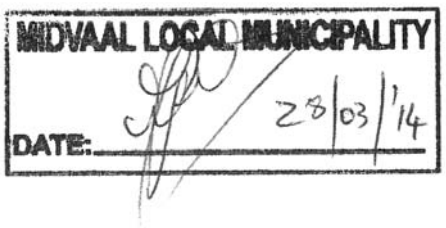
"Indigent Support Policy" means the Indigent Support Policy adopted by the Council of the Municipality;

"Indigent Support Programme" means a structured program for the provision of indigent support subsidies to qualifying indigent customers in terms of the Council's Indigent Support Policy;

"Integrated Development Plan" shall mean a plan formulated and approved as envisaged in Section 25 of the Municipal Systems Act 2000, as amended;

"Industrial Property" – means property used for construction, repair, trade or manufacturing, production, assembly or processing of finished or partially finished products from raw materials or fabricated parts on such a large scale that capital and labour are significantly involved, and includes any office or other accommodation on the same property, the use of which is incidental to such activity;

"Interest" means the charge levied on arrears, calculated as the prime rate, charged by the bank which holds the Municipality's primary bank account, plus one percent or such other percentage as may be determined by Council from time to time;



"Local Community" – in relation to the Municipality –

(a) means that body of persons comprising –

- the residents of the Municipality;
- the rate payers of the Municipality;
- any civic organisations and non-governmental, private sector or labour organisations

or bodies which are involved in local affairs within the Municipality; and

- visitors and other people residing outside the Municipality, who, because of their presence in the Municipality, make use of services or facilities provided by the Municipality; and

(b) includes, more specifically, the poor and other deprived sections of such body of persons;

“Market Value” – in relation to a property, means the value of the property determined in accordance with section 46 of the Municipal Property Rates Act;

“Month” means one of twelve months of a calendar year;

"Monthly Average Consumption" means the monthly average consumption in respect of a property calculated on the basis of the average consumption over the preceding twelve months on the respective property or should it be a newly developed property a projected average consumption per month for a property in the Municipality having a similar sized development thereon;

“Multiple Purposes” – in relation to a property, means the use of a property for more than one purpose as intended in section 9 of the Municipal Property Rates Act;

“Municipality” or **“Municipal Area”** shall, where appropriate, mean the geographic area, determined in terms of the Local Government: Municipal Demarcation Act No. 27 of 1998 as the municipal area pertaining to the Municipality;

“the Municipality” means Midvaal Local Municipality;

“Municipal Council” or **“Council”** shall mean the municipal council of Midvaal Local Municipality as referred to in Section 157(1) of the Constitution;

"Municipal Pay Point" means any municipal office in the area of jurisdiction of the Municipality designated by Council for such purposes, or any such other places as the Chief Financial Officer may from time to time designate;

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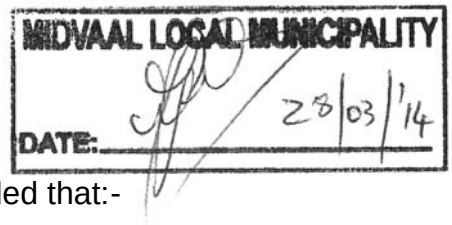
"Municipal Manager" means the Municipal Manager of the Midvaal Local Municipality or his or her nominee acting in terms of power delegated to him or her by the said Municipal Manager with the concurrence of the Council;

"Municipal Services" means services provided either by the Municipality, or by an external agent on behalf of the Municipality in terms of a service delivery agreement;

"Municipal Tariff" shall mean a tariff for services which the Municipality may set for the provision of a service to the local community, and may include a surcharge on such service.
Tariffs for major services shall mean tariffs set for the supply and consumption or usage of electricity, water, sewerage and refuse removal, and minor tariffs shall mean al other tariffs, charges, fees, rentals or fines levied or imposed by the Municipality in respect of other services supplied including services incidental to the provision of the major services;

"Occupier" means any person who occupies, controls or resides on any premises, or any part of any premises without regard to the title under which he or she so occupies it;

"Open Space" - means land that is used as a park, garden, for passive leisure or maintained in its natural state and that is zoned as open space;



"Owner" in relation to immovable property means -

(a) the person in whom is vested the legal title thereto provided that:-
- the lessee of immovable property which is leased for a period of not less than thirty years, whether the lease is registered or not, shall be deemed to be the owner thereof;
- (ii)the occupier of immovable property occupied under a service servitude or right analogous thereto, shall be deemed to be the owner thereof;

(b) if the owner is dead or insolvent or has assigned his or her estate for the benefit of his creditors, has been placed under curator ship by order of court or is a company being wound up or under judicial management, the person in whom the administration of such property is vested as executor, administrator, trustee, assignee, curator, liquidator or judicial manager, as the case may be, shall be deemed to be the owner thereof;

(c) if the owner is absent from the Republic or if his address is unknown to the Municipality, any person who as agent or otherwise receives or is entitled to receive the rent in respect

of such property, or if the Municipality is unable to determine who such person is, the person who is entitled to the beneficial use of such property;

"Person" means a natural and juristic person, including any department of state, statutory bodies or foreign embassies;

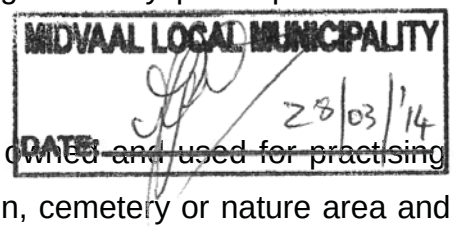
"Premises" includes any piece of land, the external surface boundaries of which are delineated on:

(a) A general plan or diagram registered in terms of the Land Survey Act, (9 of 1927) or in terms of the Deed Registry Act, 47 of 1937; or

(b) A sectional plan registered in terms of the Sectional Titles Act, 95 of 1986, and which is situated within the area of jurisdiction of the Municipality.

"Prescribed" means prescribed by this policy and where applicable by Council or the Municipal Manager;

"Prescribed debt" means debt that becomes extinguished by prescription in terms of the Prescription Act 68 of 1969;



“Private Open Space” means land that is privately owned and used for practising of sport, play- or leisure facilities or used as a botanical garden, cemetery or nature area and which is joined as Private Open Space;

“Privately Owned Townships Serviced by the Owner” – means single properties (group housing or single residential erven), situated in an area not ordinarily being serviced by the Municipality, divided through subdivision or township establishment in (ten or more) full-title stands and/or sectional title units and where all rates-related services inclusive of installation and maintenance of streets, roads, sidewalks, lighting, storm water drainage facilities, parks and recreation facilities, are installed at the full cost of the developer and are rendered and maintained by the residents, Home owners association or management companies/ bodies of such estate;

“Property” – means immovable property registered under separate title in terms of the provisions of the Deeds Registries Act, 1937 (Act 47 of 1937) in the name of a person,

including, in the case of a sectional title scheme, a sectional title unit registered in the name of a person and includes unregistered land if the right of ownership can be determined;

“Rateable Property” shall mean property on which the Municipality may in terms of Section 2 of the Municipal Property Rates Act 2004 levy a rate, but excluding property fully excluded from the levying of rates in terms of Section 17 of that Act;

“Ratepayer” shall mean a person who is liable to the Municipality for the payment of (a) rates on property in the Municipality; (b) any other tax, duty or levy imposed by the Municipality; and/or (c) fees for services provided either by the Municipality or in terms of a service delivery agreement;

"Rates" means a municipal rate on property envisaged in section 229 (1) of the Constitution read with the Local Government: Municipal Property Rates Act 6 of 2004 and the Local Government: Municipal Finance Act 56 of 2003;

“Rebate” in relation to a rate payable on a property, shall mean a discount granted in terms of Section 15 of the Municipal Property Rates Act, 2004 on the amount of the rate payable on the property;

“Reduction” - in respect of a rate payable on a property, means the lowering of the amount for which the property was valued and the rating of that property at that lower amount;

"Refuse Charges" means service charges in respect of the collection and disposal of refuse;

"Registered Owner" means that person, natural or juristic, in whose name the property is registered in terms of the Deeds Registry Act, no. 47 of 1937;

"Responsible Person" means any person other than the registered owner of an immovable property who is legally responsible for the payment of municipal service charges;

“Residential Property” shall mean a property included in the valuation roll in terms of Section 48(2)(b) of the Municipal Property Rates Act, 2004 as residential;

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“Residential Property” furthermore means improved property that: -

(a) is used predominantly (60% or more) for residential purposes, including any adjoining property registered in the name of the same owner and used together with such residential property as if it were one property. Any such grouping shall be regarded as one residential property for rate rebate or valuation reduction purposes, if still used dominantly for residential purposes;

(b) is a unit registered in terms of the Sectional Title Act and is used predominantly for residential purposes;

(c) is owned by a share-block company and is used predominantly for residential purposes;

(d) is a residence used for residential purposes situated on a property used for educational purposes;

(e) is property which is included as residential in a valuation list in terms of section 48(2)(b) of the Municipal Property Rates Act;

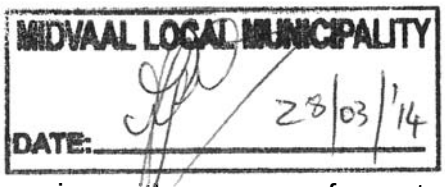
(f) are retirement schemes and life right schemes used predominantly (60% or more) for residential purposes;

(g) vacant properties (empty stands), hotels, hostels, old-age homes and accommodation establishments, irrespective of their zoning or intended use, have been specifically excluded from this property category;

"Service Charges" means the fees levied by the Municipality in terms of its tariff policy for any municipal services rendered in respect of an immovable property and includes any penalties, interest or surcharges levied or imposed in terms of this policy;

"Service Delivery Agreement" means an agreement between the Municipality and an institution or persons mentioned in section 76(b) of the Local Government: Municipal Systems Act 32 of 2000;

"Sewerage Charges" means service charges in respect of the provision of sewerage collection and treatment of infrastructure;



“Small Holding” means:-

(a) all agricultural zoned land units situated within an urban region with an area of one to three hectares; or

(b) any agricultural zoned land unit situated outside an urban region with an area of three hectares or less.

“State Owned Property” excludes any property included in the valuation roll under the category ‘residential property’ or ‘vacant land’;

"Sundry Customer Accounts" means accounts raised for miscellaneous charges for services provided by the Municipality or charges that were raised against a person as a result of an action by a person, and were raised in terms of Council's policies, bylaws and decisions;

"Supervisory Authority" means the Executive Mayor of the Municipality or his or her nominee, acting in terms of Section 99 of the Municipal Systems Act 32 of 2000;

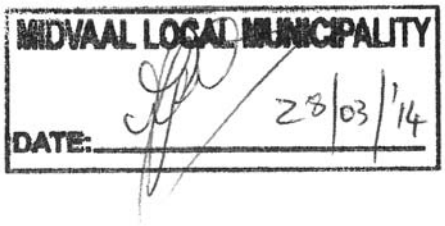
"Tariff" means the scale of rates, taxes, duties, levies or other fees which may be imposed by the Municipality in respect of immovable property and/ or for municipal services provided;

"Tariff Policy" means a Tariff Policy adopted by the Council in terms of Section 74 of the Local Government: Municipal Systems Act 32 of 2000;

"User" means the owner or occupier of a property in respect of which municipal services are being rendered;

“Vacant Property” – means any land without any improvements thereon;

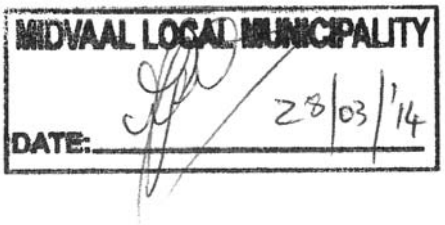
"Water Charges" means service charges in respect of the provision of water.



3. CONSTITUTIONAL AND LEGAL BACKGROUND

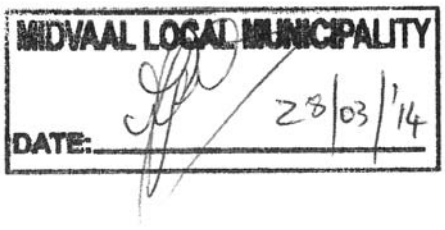
In terms of section 62 (1) of the Local Government: Municipal Finance Management Act (MFMA), Act no 56 of 2003, the Accounting Officer (AO) of a Municipality is responsible for managing the financial administration of the Municipality, and must for this purpose take all reasonable steps to ensure that, inter alia, the Municipality has and implements a tariff policy referred to in section 74 of the Local Government: Municipal Systems Act (MSA), Act no 32 of 2000 as amended.

In terms of section 74 of the Municipal Systems Act the municipal council hereby adopts a tariff policy on the levying of fees for municipal services provided by the Municipality itself or by way of service delivery agreements.



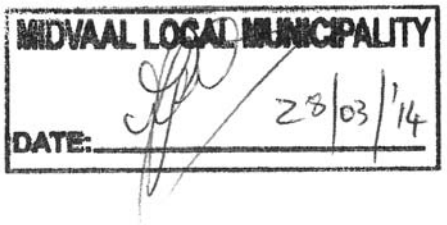
4. APPROVAL AND EFFECTIVE DATE

The policy will be effective as from 1 July 2014.



5. POLICY AMENDMENT

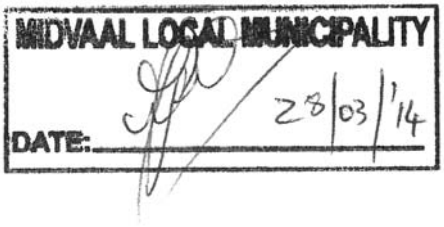
In terms of section 17(1)(e) of the MFMA this policy must be reviewed on an annual basis and the reviewed policy tabled to Council for approval as part of the budget process.



6. RELATIONSHIP WITH OTHER POLICIES

This policy needs to be read in conjunction with other relevant adopted policies of the municipality, including the following:

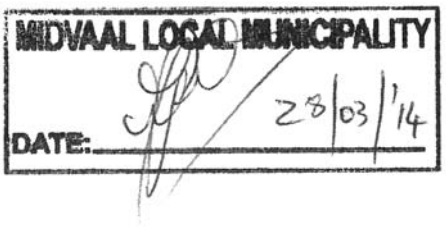
- Delegation of Powers;
- Credit Control and Debt Collection Policy;
- Property Rates Policy;
- Indigents Policy;
- Free Basic Electricity Policy and
- Free Basic Water Policy.



7. REFERENCES

The following references were observed in compiling this document:

- Municipal Finance Management Act, 2003
- Municipal Systems Act, 2000
- Municipal Property Rates Act, 2004
- Municipal Property Rates Policy, as reviewed annually
- Constitution of the Republic of South Africa, 1996 as amended
- Municipal Budget and Reporting Regulations, 2008



8. BASIC PRINCIPLES TO BE CONSIDERED IN DETERMINATION OF A TARIFF STRUCTURE

8.1 Service tariffs imposed by the local Municipality shall be viewed as user charges and not as taxes, and therefore the ability of the relevant customer or user of the services to which such tariffs relate, shall not be considered as a relevant criterion (except in the case of the indigent relief measures approved by the Municipality from time to time).

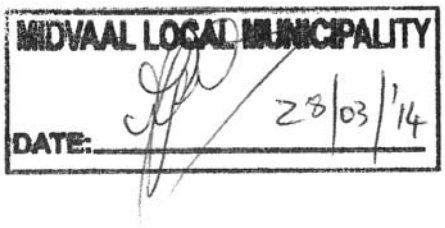
8.2 The Municipality shall ensure that its tariffs are uniformly and fairly applied throughout the municipal region.

8.3 Tariffs for the four major services rendered by the Municipality, namely Electricity, Water, Sewerage and Refuse Removal, shall as far as possible recover the expenses associated with the rendering of each service concerned, and where feasible, generate a modest surplus as determined in each annual budget. Such surplus shall be applied in relief of property rates or for the future capital expansion of the service concerned, or both.

8.4 The tariff which a particular customer or user pays shall therefore be directly related to the standard of service received and the quantity of the particular service used or consumed.

8.5 The Municipality shall develop, approve and at least annually review an indigent support programme for the municipal area. This programme shall set out clearly the Municipality's cost recovery policy in respect of the tariffs which it levies on registered indigents, and the implications of such policy for the tariffs which it imposes on other users and customers in the municipal region.

8.6 In line with the principles embodied in the Constitution, in other legislation pertaining to local government, and in the case of electricity approval by NERSA, the Municipality may differentiate between different categories of users and customers in regard to the tariffs which it levies. Such differentiation shall however at all times be reasonable and shall be fully disclosed in each annual budget.



8.7 The Municipality's tariff policy shall be transparent, and the extent to which there is cross-subsidisation between categories of customers or users shall be evident to all customers or users of the service in question.

8.8 The Municipality further undertakes to ensure that its tariffs shall be easily explainable and understood by all customers and users affected by the tariff policy concerned.

8.9 The Municipality also undertakes to render its services cost effectively in order to ensure the best possible cost of service delivery.

8.10 In the case of conventional metering systems for electricity and water, the consumption of such services shall be properly metered by the Municipality and meters shall be read, wherever circumstances reasonably permit, on a monthly basis. The charges levied on customers shall be proportionate to the quantity of the service which they consume. In addition, the Municipality shall levy a monthly fixed charge for electricity and water services.

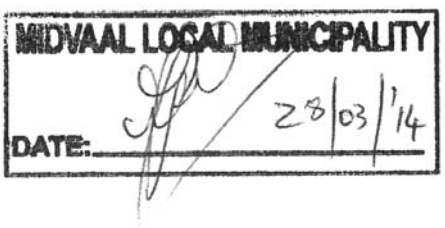
8.11 In adopting what is fundamentally a two-part tariff structure, namely a fixed basic charge coupled with a charge based on consumption, the Municipality believes that it is properly attending to the demands which both future expansion and variable demand cycles and other fluctuations will make on service delivery.

8.12 In case of vacant stands, where the services are available but not connected, the Municipality shall levy a monthly availability charge which is levied because of fixed costs such as the capital and maintenance costs and insurance of infrastructure available for immediate connection. This principle also applies to vacant stands in areas serviced through conservancy or septic tanks.

8.13 The Municipality's tariffs for electricity services will be determined to ensure that those customers who are mainly responsible for peak demand, and therefore for the incurring by the Municipality of the associated demand charges from Eskom, will have to bear the costs associated with these charges. To this end the Municipality shall therefore install demand meters to measure the maximum demand of such customers during certain periods. These bulk customers shall therefore pay the relevant demand

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charge as well as an energy charge directly related to their actual consumption of electricity during the relevant metering period.



9. FACTORS TO BE CONSIDERED IN THE DETERMINATION OF A TARIFF STRUCTURE

9.1 Financial factors

9.1.1 The primary purpose of a tariff structure is to recover the actual costs of the rendering of a particular service, during each of the Municipality's specific financial years, to avoid cross subsidising of services.

9.1.2 In order to determine the tariffs which must be charged for the supply of the four major services, the Municipality shall identify all the costs of operation of the undertakings concerned, including specifically the following:-

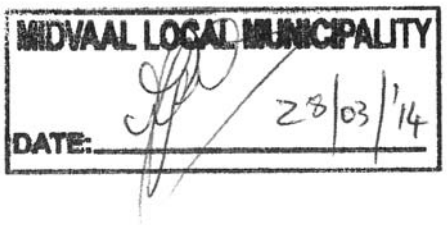
9.1.2.1 Cost of bulk purchases in the case of water and electricity.

9.1.2.2 Distribution costs.

9.1.2.3 Distribution losses in the case of electricity and water.

9.1.2.4 Depreciation expenses.

9.1.2.5 Maintenance of infrastructure and other fixed assets.



9.1.2.6 Cost of approved indigent relief measures and cross subsidising of low consumption.

9.1.2.7 Administration and service costs, including:-

- service charges levied by other departments such as finance, human resources and legal services;
- reasonable general overheads, such as the costs associated with the Office of the Municipal Manager;
- adequate contributions to the provisions for bad debts and obsolescence of stock; and
- all other ordinary operating expenses associated with the service concerned including, in the case of the electricity service, the cost of providing street lighting in the municipal area.

(Note: the costs of the democratic process in the Municipality – that is, all expenses associated with the political structures of the Municipality – shall form part of the

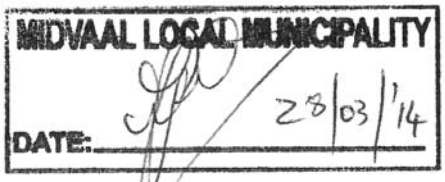
expenses to be financed from property rates and general revenue, and shall not be included in the costing of the major services of the Municipality).

9.1.3 The intended surplus to be generated for the financial year. Surplus to be applied:-

- as an appropriation to capital reserves; and/or
- generally in relief of rates.

9.2 Socio-economic factors

9.2.1 Although the determination of tariffs is in many instances politically orientated, it ought to be based on sound, transparent and objective principles at all times. In order to fully understand the influence of the socio-economic factors the various user categories and forms of subsidisation needs to be considered. Tariffs should also support business initiatives aimed at creating jobs or contribute to the economy of the area.



9.2.2 Users can be divided into the following categories:-

9.2.2.1 Users who are incapable to make any contribution towards the consumption of services and who are fully subsidised;

9.2.2.2 Users who are able to afford a partial contribution and who are partially subsidised only; and

9.2.2.3 Users who can afford the cost of the services in total.

9.2.3 It is important to identify these categories and to plan the tariff structures accordingly. Subsidies currently derived from two sources namely:-

9.2.3.1 Contributions from National Government: National Government makes an annual contribution according to a formula, which is primarily based on information obtained from Statistics South Africa by means of census surveys. If this contribution is judiciously utilised it will subsidise all indigent households who qualify in terms of the Council policy.

9.2.3.2 Contributions from own funds: The Council can, if the contribution of National Government is insufficient, provide in its own operational budget for such support.

Such action will in all probability result in increased tariffs for the larger users. Any subsidy must be made known publicly.

9.2.4 To make provision for subsidisation the tariff structure can be compiled as follow:-

9.2.4.1 Totally free services (within limits and guide lines);

9.2.4.2 Lower tariffs for users who qualify in terms of particular guide lines, for example to recover the operational costs of the service only; and

9.2.4.3 Full tariff payable with a subsidy that is transferable from sources as mentioned above.

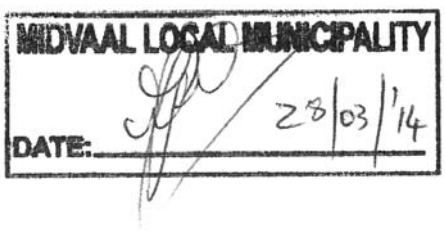
9.3 Minimum service levels

It is important that minimum service levels be determined in order to calculate and develop an affordable tariff package available to all potential users.

9.4 Credit control

9.4.1 It is not possible to successfully compile a tariff structure without consideration of the stipulations of an effective credit control system. Income is provided for in the budget as if a 100% payment level will be maintained. It is therefore important to continuously ensure that users indeed pay punctually. Non-payment has a direct effect in that provision for bad debt, in accordance with current payment levels, must be provided as expenditure in the budget.

9.4.2 However, it is also a fact that there are users who are unable to pay. Tariffs must therefore provide access to a minimum level of basic services for all users. It should furthermore be supplemented with a practical policy for indigents. This will ensure the sustainable delivery of services. In addition, adequate provision should be made on an annual basis for bad debt/ working capital in accordance with current payment levels.

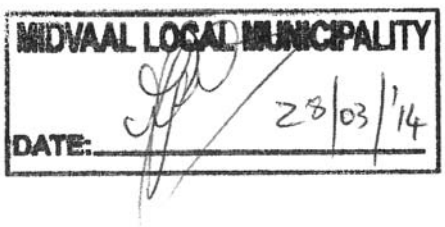


9.5 Package of services

The accounts for rates and services must not be seen in isolation. It must be considered jointly to determine the most affordable amount that the different users can pay as a total account. The basic costs of a service must first of all be recovered and then only can surpluses be manipulated to determine the most economic package for the user with due allowance for future events in regard to a particular service.

9.6 Historical and future user patterns

9.6.1 It is important to keep accurate consumption statistics for the purpose of determining tariffs. Consumption determines tendencies, which ultimately have an influence on tariffs within a structure. Provision should be made in the process for growth and seasonal use, as well as for unforeseen events that may have an impact on tariffs.



9.7 User groups

9.7.1 Users are traditionally divided into user groups as set out below:-

9.7.1.1 Domestic (Residential);

9.7.1.2 Businesses/ Commercial;

9.7.1.3 Industries/Bulk customers;

9.7.1.4 Farm properties (agricultural);

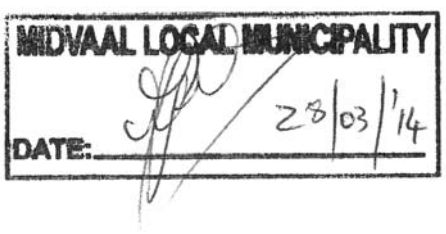
9.7.1.5 Accommodation establishments (including guest houses);

9.7.1.6 Municipal consumption (departmental charges);

9.1.7.7 Institutions that may be directly subsidised for example retirement homes, schools and hostels, sport organisations, etcetera; and

9.1.7.8 Special arrangements for specific developments as may be determined by Council from time to time.

A continuous effort should be made to group together those users who have more or less the same access to a specific service.



10. FREE BASIC SERVICES

10.1 Underlying principle

10.1.1 Free basic municipal services refers to those municipal services necessary to ensure an acceptable and reasonable quality of life and which service, if not provided, could endanger public health or safety or the environment.

10.1.2 In terms of the South African Constitution all customers should have access to basic services. Typically, the following parameters could be applied: -

10.1.2.1 The extent of the monthly indigent support granted to indigent households must be based on budgetary allocations for a particular financial year and the tariffs determined for each financial year.

10.1.2.2 The general threshold for indigent support is restricted to qualifying households with a combined income amount determined by Council at the beginning of every financial year and will be applied for the duration of that particular financial year.

11. TARIFF STRUCTURES FOR VARIOUS SERVICES

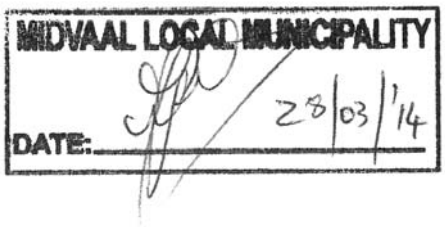
It is essential that a compromise be reached between the following needs with the determination of a tariff structure:-

- The need to reflect costs as accurately as possible in order to achieve cost effectiveness;
- The need to ensure equality and fairness between user groups;
- The need for a practically implementable tariff;
- The need to use appropriate metering and provisioning technology;
- The need for an understandable tariff; and
- The user's ability to pay.

Taking into consideration the abovementioned points the tariff structure of the following services are discussed:-

MIDVAAL LOCAL MUNICIPALITY
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- Electricity.
- Water.
- Refuse Removal.
- Sewerage.
- Property Rates.



11.1 Electricity

11.1.1 To calculate the tariff for electricity, the actual cost incurred in the supply of electricity to the community has to be taken into consideration. The principle of basic levies as well as per unit tariff for electricity is determined by the cost structure. This cost structure consists of the following components:-

11.1.1.1 Fixed costs: It represents that portion of expenses that must be incurred irrespective of the fact whether or not any electricity has been sold, for example the salary of staff who have been appointed permanently with specific tasks relating to the provision of electricity, costs of capital, maintenance cost and insurance that is payable in respect of the infrastructure. These costs must be recovered whether any electricity is used or not. The costs are therefore recovered by means of a fixed levy per period (normally levied as a monthly basic charge) in order to ensure that these costs are covered.

11.1.1.2 Variable costs: It relates to the physical provision of electricity according to consumption/ demand and must be financed by means of a unit tariff which is payable per kWh/KVA electricity consumed.

11.1.1.3 Surplus: The tariffs for these services are determined in such a way that a NETT trading surplus is realised. Any trading surplus is used to subsidise the tariffs of rate funded services.

11.1.2 The following tariff structures were basically used for the determination of tariffs:-

11.1.2.1 Inclining block tariff (IBT) tariff structure where customer's consumption is divided into blocks and each subsequent block has a higher energy rate (c/kWh). The tariff

structure has been set by NERSA in order to protect/ cross-subsidise low income domestic customers and to promote energy efficiency.

11.1.2.2 Single rate energy tariff (all costs expressed in a single cent/kWh charge).

11.1.2.3 Two part tariff for Domestic, Commercial, Business Customers (consist of a basic (fixed cost) monthly charge and a variable charge related to metered kWh consumption):-

- Energy rate (c/kWh); and
- Basic monthly charge (R/month).

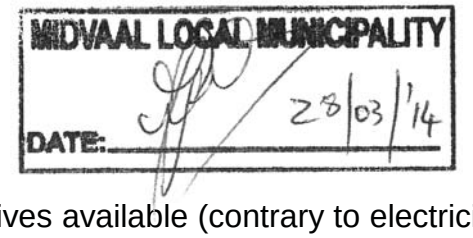
11.1.2.4 Three part tariff for Industrial and Bulk Customers (consist of a basic monthly charge, demand charge and a variable charge related to metered kWh consumption):-

- Energy rate (c/kWh);
- Basic monthly charge (R/month); and
- Demand charge (R/KVA month – recovers capital costs elements).

11.1.2.5 Special tariff arrangements determined and approved by Council from time to time for specific developments and/or informal settlements.

11.1.3 An availability charge is payable on all properties (irrespective of the category), where a connection to the electricity network is possible at the cost of the Municipality, but not in use. This fee aims to recoup capital and maintenance costs in respect of such properties. If the owner connects the service with the intention to improve the property the debit will be adjusted pro-rata from the date of the connection.

11.1.3.1 The availability charge will be levied based on the use of the property.



11.2 Water

11.2.1 Water is a scarce commodity with little alternatives available (contrary to electricity). Tariff structures should therefore be aimed at the reduction of consumption. In order

to restrict consumption, an inclining block rate tariff structure with a basic fee is applied.

11.2.2 In principle, the amount that users pay for water services should generally be in proportion to their use of water services. Tariffs must be set at levels that facilitate the sustainability of the service, will include sliding scale tariff structure.

11.2.3 To calculate the tariff for water, the actual cost incurred in the supply of water to the community, has to be taken onto consideration. The principle of basic levies as well as a kilolitre tariff for water is determined by the cost structure.

11.2.4 Similar to electricity, this cost structure consists of the following components:-

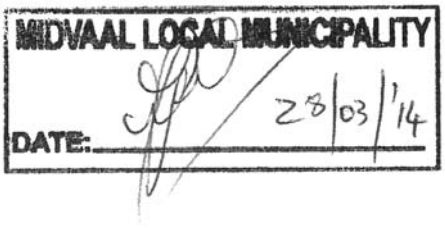
11.2.4.1 Fixed costs: It represents that portion of expenses that must be incurred irrespective of the fact whether or not any water has been sold, for example the salary of staff who have been appointed permanently with specific tasks relating to the provision of water, costs of capital and insurance that is payable in respect of the infrastructure. These costs must be recovered whether any water is used or not. The costs are therefore recovered by means of a fixed levy per period (normally on a monthly basis) in order to ensure that these costs are covered.

11.2.4.2 Variable costs: It relates to the physical provision of water according to demand and must be financed by means of a unit tariff which is payable per kilolitre water consumed.

11.2.4.3 Surplus: The tariffs for these services are determined in such a way that a NETT trading surplus is realised. Any trading surplus is used to subsidise the tariffs of rate funded services.

11.2.5 The following tariff structures were basically used for the determination of tariffs:-

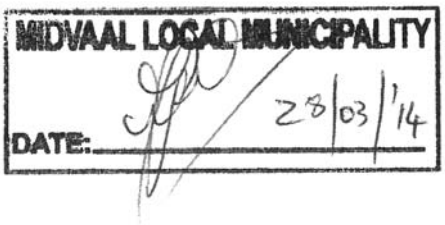
11.2.5.1 Two-leg tariff consisting of a basic charge based on the size of the water connection and consumption for users with conventional meters.



11.2.5.2 An availability charge is payable on all properties (irrespective of the category), where a connection to the water network is possible at the cost of the Municipality, but not in use. This fee aims to recoup capital and maintenance costs of networks as well as certain fixed administrative costs in respect of such properties. If the owner connects and improve the property the debit will be adjusted pro-rata from the date of the connection.

11.2.5.3 The availability charge will be levied based on the use of the property.

11.2.5.4 Special tariff arrangements determined and approved by Council from time to time for specific developments and/or informal settlements.



11.3 Refuse Removal

11.3.1 Refuse removal is an economic service and tariff calculations should be based on the actual cost incurred in delivering the service.

11.3.2 A customer who chooses to do his/her own refuse removal will still be liable for paying the applicable refuse tariff.

11.3.3 The tariff levied by Midvaal Local Municipality is based on the category of property as determined in the valuation roll.

11.3.4 The following tariff structures were basically used for the determination of tariffs:-

11.3.4.1 Residential (domestic customers) – maximum of one removal per week (black bag system).

11.3.4.2 Business/ Commercial/ Industrial (Non – Bulk) – maximum of two removals per week.

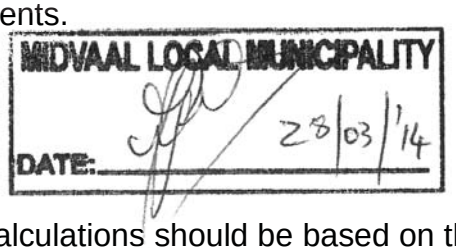
11.3.4.3 Business/ Commercial/ Industrial (Bulk) - maximum of three removals per week.

11.3.4.4 Business/Commercial/Industrial (Bulk) - four or more, with a maximum of seven removals per week.

11.3.4.5 Additional removals – More than the maximum removals as per 11.3.4.1 – 11.3.4.5.

11.3.4.6 Refuse will be levied based on the use of the property.

11.3.4.7 Special tariff arrangements determined and approved by Council from time to time for specific developments and/or informal settlements.



11.4 Sewerage

11.4.1 Sewer service is an economic service and tariff calculations should be based on the actual cost incurred in delivering the service.

11.4.2 The following tariff structures were basically used for the determination of tariffs:-

11.4.2.1 Tariff arrangements determined and approved by Council from time to time for specific developments.

11.4.2.2 The tariff levied for conservancy tanks, septic tanks and french drains will consist of a basic charge plus a fixed amount per withdrawal.

11.4.2.3 An availability charge is payable on all properties (irrespective of the category), where a connection to the sewer network is possible at the cost of the Municipality, but not in use. This fee aims to recoup capital and maintenance costs of networks as well as certain fixed administrative costs in respect of such properties. If the owner connects and improve the property the debit will be adjusted pro-rata from the date of the connection.

11.4.2.4 The availability charge will be levied based on the use of the property.

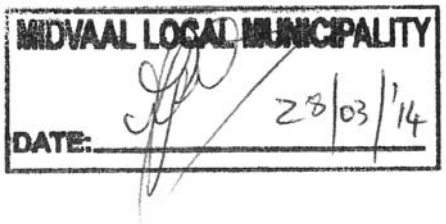
11.4.2.5 However, owners of vacant stands in an area serviced through conservancy tanks, septic tanks or french drains only will not pay the availability tariff.

11.5 Property Rates

11.5.1 The rate levied by the Municipality will be a cent amount in the Rand based on the market value of the property.

11.5.2 In terms of the Municipal Property Rates Act, 2004 the Municipality may levy different rates for different categories of rateable property. Differential rating among the various property categories will be done by way of setting different cent amount in the rand for each property category and by way of reductions and rebates as provided for in the Municipality's property rates policy.

11.5.3 In terms of section 17 (1) (e) of the MFMA the Municipality's property rates policy must be reviewed on annual basis and the reviewed policy tabled to Council for approval as part of the budget process.



12. ELECTRICITY TARIFF POLICY

Electricity is supplied under a distribution license, granted by NERSA for a specific area of jurisdiction, which regulates inter alia the following aspects:-

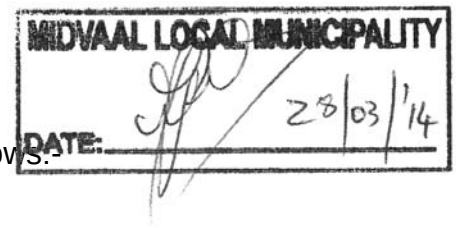
- Classification of customer categories.
- Permissible tariff structure options are determined at a national level and distributors are obliged to apply these structures to obtain uniformity.
- All tariff structures and tariffs must be approved by NERSA prior to application thereof by a distributor.

12.1 Domestic Customers and Accommodation Establishments

This tariff covers the supply of electricity for domestic use in private dwellings, flats and chalets with separate meters and includes churches, schools, welfare buildings, hospitals, halls or similar premises.

This tariff is applied for circuit breaker sizes not in excess of 63A single phase or 63A three phase. Should customers require supplies in excess hereof, the Commercial Customer or Bulk Supply tariff will be applicable. A phased approach will be implemented to convert existing customers who have traditionally been charged at different tariffs towards these criteria.

Customers with conventional meters



12.1.1 Customers with conventional meters are billed as follows:-

12.1.1.1 An availability charge is payable on all properties (irrespective of the category), where a connection to the electricity network is possible, but not in use.

12.1.1.2 Two part tariff:

- Basic monthly charge (R/month). The basic charge is determined by the category within which the consumer's tariff circuit breaker size falls, i.e. 0 to 32A, 33A to 45A, 46A to 63A and 64A to 80A.
- Energy rate (c/kWh). The energy rate is charged on an inclining block tariff per unit based on the number of kWh consumed which is determined as follows:-

Block 1: 0 to 50 kWh
Block 2: 51 to 350 kWh
Block 3: 351 to 600 kWh
Block 4: > 600 kWh

Pre-paid customers

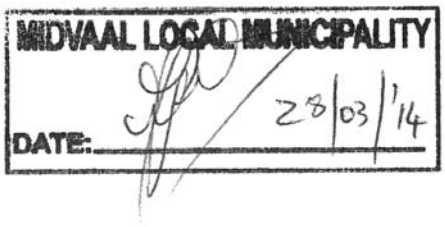
12.1.2 Prepaid users are charged based on a two part tariff:-

12.1.2.1 An availability charge is payable on all properties (irrespective of the category), where a connection to the electricity network is possible, but not in use.

12.1.2.2 Two part tariff:

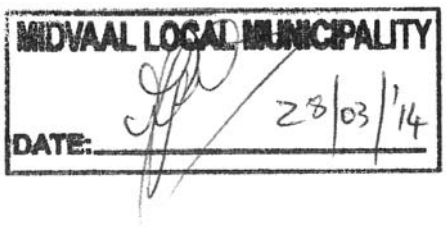
- Basic monthly charge (R/month). The basic charge is determined by the category within which the consumer's tariff circuit breaker size falls, i.e. 0 to 32A, 33A to 45A, 46A to 63A and 64A to 80A.
- Energy rate (c/kWh). The energy rate is charged on an inclining block tariff per unit based on the number of kWh consumed which is determined as follows:-

Block 1: 0 to 50 kWh
Block 2: 51 to 350 kWh
Block 3: 351 to 600 kWh
Block 4: > 600 kWh



12.1.2.3 Energy rate (c/kWh). The energy rate is charged on an inclining block tariff per unit based on the number of kWh purchased, which is determined as follows:-

Block 1: 0 to 50 kWh
Block 2: 51 to 350 kWh
Block 3: 351 to 600 kWh
Block 4: > 600 kWh



12.1.2.4 Should the customer have any municipal arrears, the auxiliary payment system may be activated for the gradual payment of the arrears as a percentage of purchases.

12.1.2.5 Registered Indigents receive a number of kWh units fully subsidised every month, as determined by Council on an annual basis. Where possible, Council may limit the supply to indigent customers to a 20A single phase capacity.

12.2 Commercial / Business Customers

This tariff covers the supply of electricity to shops, office buildings, hotels, clubs, industrial undertakings, builder's supplies or similar premises.

The tariff is normally for circuit breaker sizes not in excess of 63A single phase or 100A three phase. Should customers require supplies in excess hereof, the Bulk Supply tariff will be applicable. A phased approach will be implemented to convert existing customers who have traditionally been charged at different tariffs towards these criteria.

Customers with conventional meters

12.2.1 Customers with conventional meters are billed as follows:-

12.2.1.1 An availability charge is payable on all properties (irrespective of the category), where a connection to the electricity network is possible at the cost of the Municipality, but not in use.

12.2.1.2 Two part tariff:

- Basic monthly charge (R/month). The basic charge is determined by the category within which the consumer's tariff circuit breaker size falls, i.e. 0 to 32A, 33A to 45A, 46A to 63A and 64A to 80A for single phase, and 0 to 32A, 33A to 45A, 46A to 63A, 64A to 80A and 81A to 100A for three phase.
- Energy rate (c/kWh). The energy rate is charged at a single rate tariff per unit based on the number of kWh consumed.

Pre-paid customers

12.2.2 Prepaid users, if applicable, are charged on a two part tariff:

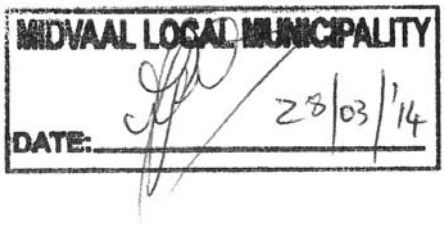
12.2.2.1 Basic monthly charge (R/month). The basic charge is determined by the category within which the consumer's tariff circuit breaker size falls, i.e. 0 to 32A and 33 to 63A for single phase and 0 to 32A, 33 to 63A and 64A to 100A for three phase.

12.2.2.2 Energy rate (c/kWh). The energy rate is charged on a single rate per unit based on the number of kWh purchased.

12.2.3 Should the customer have any municipal arrears, the auxiliary payment system may be activated for the gradual payment of the arrears as a percentage of purchases.

12.3 Industrial / Bulk Customers

12.3.1 The Bulk Supply tariff is for Customers with a notified maximum demand of 71kVA or more or who require a supply greater than a 100Amp three phase circuit breaker size.



12.3.2 These customers are billed as follows:-

12.3.2.1 Three part tariff.

- Fixed monthly charge (R/month).
- Demand charge (R/kVA month – recovers capital costs elements).
- Energy rate (c/kWh). The energy rate is charged at a single rate tariff per unit based on the number of kWh consumed.

12.4 Farm properties (Agriculture)

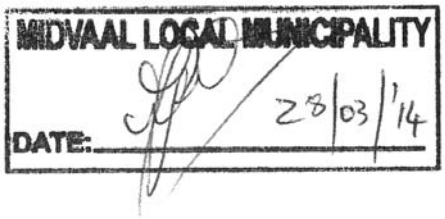
These customers are billed as per the tariffs applicable which have been determined by the Council by special agreement with a specific group of farmers in the past.

12.5 Streetlights

An energy rate (c/kWh) will be applied per streetlight metering point.

12.6 Special Arrangements

Other tariffs may be applicable which has been determined by the Town Electrical Engineer or Council by special agreement with specific Clients. This will only be considered when special circumstances prevail.



12.7 Departmental

The respective Commercial and Bulk Supply tariffs, for consumption only, will be determined by Council on an annual basis. Tariff to be determined by the specific department applicable, only to the energy.

12.8 Electricity sundry tariffs

All other electricity related services offered by the Council are charged at a tariff as determined by the Council annually during the budget process.

13. WATER TARIFF POLICY

13.1 Domestic / Commercial / Business / Accommodation Establishments

13.1.1 Customers are billed as follows:-

13.1.1.1 An availability charge is payable on all properties (irrespective of the category), where a connection to the water network is possible at the cost of the Municipality, but not in use.

13.1.1.2 A basic charge is payable on all properties that are connected to the water network based on the size of the water connection, regardless of whether any water is used.

13.1.1.3 Registered Indigents receive their basic levy for water fully subsidised every month, as determined by Council on an annual basis.

13.1.1.4 Domestic customers are billed for consumption based on the amount of water used by way of a step tariff per kilolitre usage in the following blocks:-

- 0 to 6 kl – Registered Indigent Domestic Customers Only
- 7 to 20 kl – Registered Indigent Domestic Customers Only
- 21 to 50 kl – All Indigent Registered Customers and Domestic Customers
- > 50 kl – Registered Customers and Domestic Customers

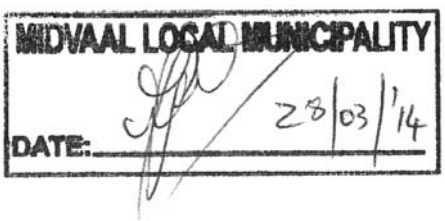
13.2 Old Age Homes / Schools / Sports Clubs / Charitable institutions

13.2.1 Customers are billed as follows:-

13.2.1.1 An availability charge is payable on all properties, where a connection to the water reticulation network is possible, but not in use.

13.2.1.2 A basic charge is payable on all properties that are connected to the water network based on the size of the water connection, regardless of whether any water is used.

13.2.1.3 Customers are billed for consumption based on the amount of water used by way of fixed tariff per kilolitre usage.



13.3 All other Customers

All other customers are billed as follows:-

13.3.1 An availability charge is payable on all properties (irrespective of the category), where a connection to the water reticulation network is possible, but not in use.

13.3.2 A basic charge is payable on all connections, based on the size of the water connection.

13.3.3 Customers are billed for consumption at a fixed tariff per kilolitre based on the number of kilolitres consumed.

13.4 Special Arrangements

13.4.1 Where two or more dwellings/ flats/ offices/ accommodation establishment units are feeding from one main water connection to a property, the customers are billed as follow:-

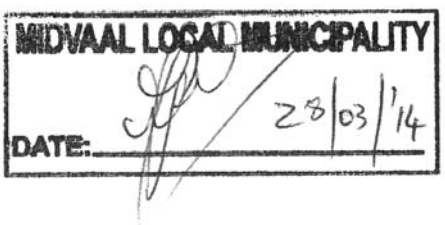
13.4.1.1 A basic charge is payable on all dwellings that are connected to the water network.

13.4.2 Customers in 13.4.1.1 are billed for consumption based on the amount of water used by way of a fix tariff per kilolitre usage.

13.5 Water Delivery in Rural Areas

13.5.1 Customers are billed as follows:-

- A fixed predetermined amount will be charged per kilometre to cover the transport.
- The actual man hour cost to cover the total cost of employment.
- The actual cost of the water based on the applicable tariff for purified or raw water as charged for all other customers (see 13.2.3).
- A surcharge of 20% on the total cost of the transaction.



13.6 Water Restrictions

13.6.1 The availability of bulk water resources will be monitored throughout the year by Council.

13.6.2 When so required, Council will take a resolution to implement water restrictions.

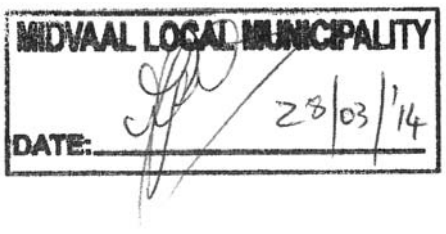
13.6.3 Any penalties payable on water consumption as a result of water restrictions will be implemented in the month following the Council resolution; regardless of the meter reading dates (water consumed prior to the resolution date may therefore also be subject to penalties).

13.7 Departmental

The respective Commercial and Bulk Supply tariffs, for consumption only, will be determined by Council on an annual basis. Tariff to be determined by the specific department applicable, only to the energy.

13.8 Water Sundry Tariffs

All other water related services offered by the Council are charged at a tariff as determined by the Council annually during the budget process.



14. REFUSE TARIFF POLICY

14.1 Refuse Removal Tariffs

14.1.1 The Council has determined the following categories for refuse removal:-

14.1.2 Residential (domestic customers) – maximum of one removal per week.

14.1.3 Flats / Townhouses – levy for each unit – remove one a week (domestic)

14.1.3.1 Business/ Commercial/ Industrial (Non – Bulk) – maximum of two removals per week. Businesses situated in residential areas will only be serviced once a week.

14.1.3.2 Business/ Commercial/ Industrial (Bulk) - maximum of three removals per week.

14.1.3.3 Business/Commercial/Industrial (Bulk) - four or more, with a maximum of seven removals per week.

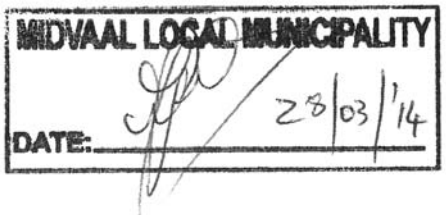
14.1.3.4 Additional removals – More than the maximum removals as per 14.1.1.1 – 14.1.1.5

14.1.4 Registered Indigents receive their refuse removal service fully subsidised every month, as determined by Council on an annual basis.

14.2 Special Arrangements

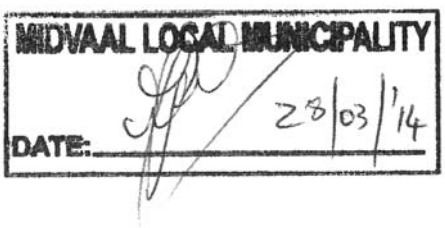
14.2.1 Where two or more customers on a premises make use of the compulsory solid waste disposal service the customers are billed as per the category in par 14.1.1.1 above.

14.2.2.1 Special tariff arrangements determined and approved by Council from time to time for specific developments. In terms of the current arrangements, all developments with ten or more units that have created a central collection point for refuse as agreed with Council may qualify for a reduced tariff as determined by Council on an annual basis. The Body Corporate or individual owners may apply in writing for a rebate. If approved, a rebate of 20% will be applied. If no application is received the full charges will be levied.



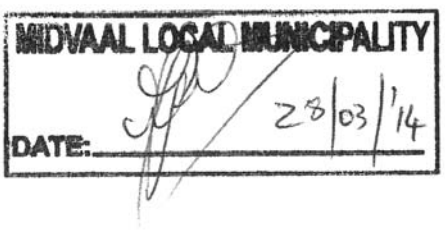
14.3 Departmental

The respective Commercial and Bulk Supply tariffs, for consumption only, will be determined by Council on an annual basis.

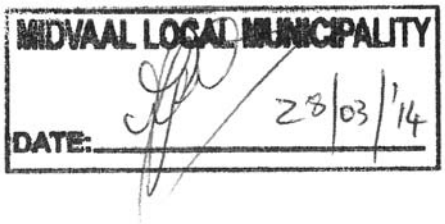


14.4 Refuse Removal Sundry Tariffs

All other refuse removal related services offered by the Council are charged at a tariff as determined by the Council annually during the budget process.



15. SEWERAGE TARIFF POLICY



15.1 Sewerage Systems

15.1.1 An availability charge is payable on all properties (irrespective of the category), where a connection to the sewer network is possible at the cost of the Municipality, but not in use.

15.1.2 The Council charges a basic monthly fee per property based on the size (mm) of the water connection(s) for a specific property.

15.1.3 Registered Indigents receive their basic levy for sewerage service fully subsidised every month, as determined by Council on an annual basis.

15.2 Conservancy Tanks / Septic Tanks / French Drains

15.2.1 An availability charge is payable on all properties, (irrespective of the category), where installation by the owner and servicing by the Municipality, of a Conservancy Tank/ Septic Tank or French Drain is possible, but not in use.

15.2.2 A monthly basic charge is payable on all installations. In case where Council is unable to render a withdrawal service due to the premises being not accessible no monthly basic charge will be payable.

15.2.3 Customers in an area serviced through a waterborne sewerage network who prefer not to connect to such a service but remain with a conservancy tank, septic tank or french drain will be charged the monthly basic tariff for a 50mm water connection and not the basic charge for septic tanks.

15.2.4 The Council charges a fixed fee per withdrawal.

15.2.5 Vacant stands in an area serviced through conservancy tanks, septic tanks or french drains will pay an availability charge which is equal to the basic tariff for septic tanks.

15.2.6 The subsidy for registered indigents will also be applicable to qualifying indigents with no waterborne sewerage but serviced through conservancy tanks, septic tanks

or french drains. The subsidy will be restricted to the basic levy for conservancy tanks, septic tanks or french drains as well as one withdrawal per month.

15.3 Withdrawal of Conservancy Tanks / Septic Tanks / French Drains in Rural Areas

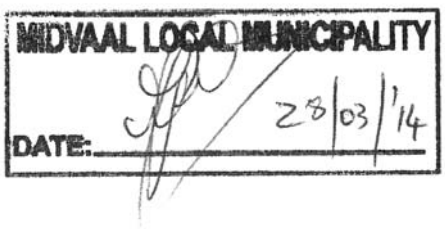
15.3.1 Customers are billed as follows:-

15.3.1.1 A fixed predetermined amount will be charged per kilometre to cover the transport.

15.3.1.2 The actual man hour cost to cover the total cost of employment.

15.3.1.3 The fixed fee per withdrawal (see 15.2.4).

15.3.1.4 A surcharge of 20% on the total cost of the transaction.



15.4 Special Arrangements

15.4.1 Where two or more dwellings/ flats/ offices/accommodation establishment units are feeding from one main sewerage connection to a property, the customers are billed as follows:-

15.4.2 A basic charge is payable on all dwellings that are connected to the sewerage network based on the size of the smallest water connection (20 mm).

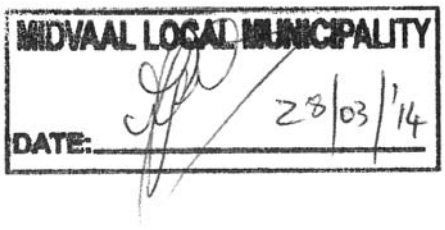
15.4.3 In the case of accommodation establishments, a basic charge is payable on all units/ dwellings that are connected to the sewerage network based on the size of the smallest water connection (20 mm), based on the following formula:-
Flats / Townhouses – each unit pays a basic sewer charge

15.5 Departmental

The respective Commercial and Bulk Supply tariffs, for consumption only, will be determined by Council on an annual basis. Tariff to be determined by the specific department applicable, only to the energy.

15.6 Sewerage sundry tariffs

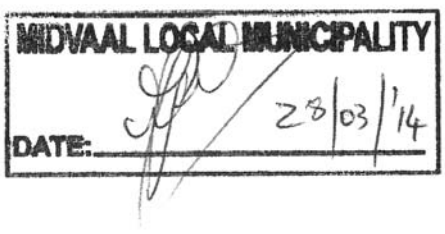
All other sewerage related services offered by the Council are charged at a tariff as determined by the Council annually during the budget process.



16. PROPERTY TAX POLICY

16.1 Property Tax tariffs

Property rates are levied as determined by Council from time to time and is covered in the Property Rates Policy and Bylaw of the Municipality.



17. SUNDRY TARIFFS

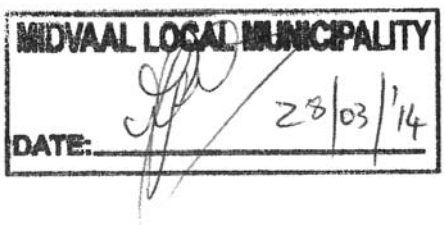
17.1 Various sundry tariffs are applied to recoup costs of sundry services to the public. All such tariffs are based on cost of supply, but individual tariffs may be set at:-

17.1.1 Subsidised levels;
17.1.2 Levels reflecting actual cost; or
17.1.3 Levels producing surpluses.

17.2 The level at which the Council sets a sundry service tariff, takes into account factors such as:-

17.2.1 Affordability;
17.2.2 Socio-economic circumstances;
17.2.3 Utilisation of amenities and resources;
17.2.4 National and regional agreements and provisions; and
17.2.5 Any other factors influencing such decisions.

17.2 Sundry tariffs and structures will be revised at least once a year, during the annual budgeting process.



18. WATER LEAK ADJUSTMENTS

Definition of a water leak

Water leak – is crack or flaw that permits water to escape or pass through the pipes. The water will be wasted with or without noticeable.

Responsibility of water leak

Customer

- The customer remains responsible for any water leak that occurred from the meter to his property.
- The homeowner is responsible to repair the pipes in his/her property.
- Should the consumer discover any water leak, must take immediate steps to stop the loss of water by turning off the water supply tap.
- The plumber is the best person to call to mend domestic leaks and repair pipes and connections.

Midvaal Local Municipality

- The water leaks on the streets or on council property remains the responsibility of the council.
- Midvaal municipality will not charge its customers to repair pipes on the streets.
- The consumers should not allow anyone trying to claim money from them for repairing council water pipes.
- Even though the water leak is on council or municipality's side, consumers are requested to report the water leak.

Water leak adjustment tariff

- Midvaal municipality has a water leak tariff, calculated on cost plus 15% of water paid by the municipality. This tariff will be applicable for a maximum period of 3 months.

MIDVAAL LOCAL MUNICIPALITY
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- If the water leak is determined to be the customer's responsibility, the customer should repair the water leak and submit the documentation of repair (receipts for labour, supplies and equipment) to the municipality billing office.
- Once the documentation has been reviewed and approved, the documentation will be processed immediately and adjustment made if approved.
- The amount and time period to which the adjustment can be applied varies depending on the nature of water leak
- Any request for water leak adjustment must be made within 30 days of the water leak repair.

<u>The adjustment support criteria</u>

- The need to adjust a water bill maybe evident by a customer complaint of excessive billing or evidence of water leakage on the consumer side of the meter.
- To qualify for water leak adjustment, the usage must be at least 100% above the average monthly usage.
- Only one water leak adjustment per customer per financial year is allowed, unless otherwise waived by action of municipal council.
- The water department of the municipality will first determine that the meter has been read properly.
- Adjustment will only be made if the leak was detected within three (3) months.
- Customer will still pay for the average consumption at the normal tariff - The Municipality will only adjust the portion more than the average usage per month over a six (6) month period.

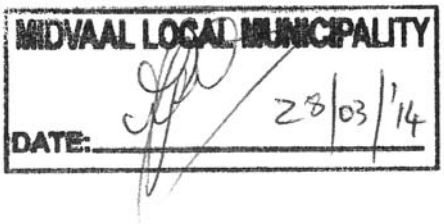
Adjustment on water bills will not be made on the following:

- Any type of faulty customer plumbing
- More than one occurrence per any twelve (12) month period.
- Customer did not take immediate steps after detection of the water leak to prevent further loss of water.
- The customer did not provide proof of the repair of the water leak
- Meter was tampered with in any way.

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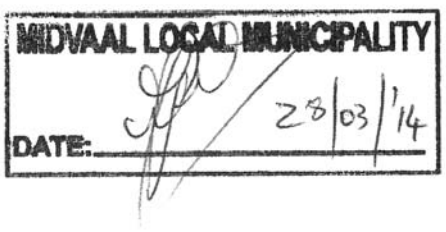
19. POLICY IMPLEMENTATION

This policy shall be implemented once approved by Council. All future tariff charges must be considered in accordance with this policy.



MIDVAAL
LOCAL MUNICIPALITY

RATES BY-LAW



RATES BY-LAWS

By-law

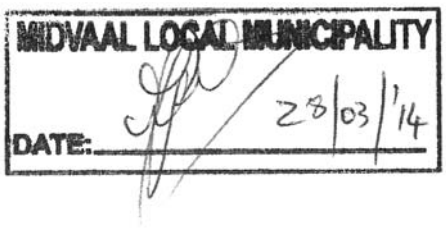
To give effect to the implementation of the Midvaal Local Municipality's Rates Policy and to provide for matters incidental thereto.

Preamble

WHEREAS section 6(1) of the Local Government: Municipal Property Rates Act, 2004 (No. 6 of 2004) as amended, requires a municipality to adopt By-laws to give effect to the implementation of its Rates Policy;

AND WHEREAS section 6(2) of the Local Government: Municipal Property Rates Act, 2004 (No. 6 of 2004) as amended, provides that By-laws adopted in terms of section 6(1) may differentiate between different categories of properties; and different categories of owners of properties liable for the payment of rates.

BE IT THEREFORE ENACTED by the Council of the Midvaal Local Municipality, as follows:-



1. Definitions

In this By-law any word or expression to which a meaning has been assigned in the Local Government: Municipal Property Rates Act,2004 (Act 6 of 2004) shall bear the same meaning and unless the context indicates otherwise –

"**Act**" means the Local Government: Municipal Property Rates Act, 2004 (No.6 of 2004);

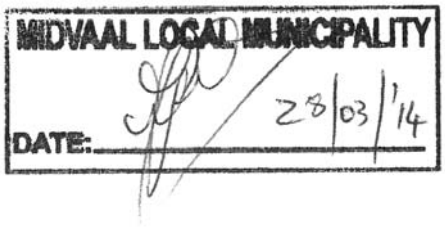
"**Council**" means the Council of the Midvaal Local Municipality; and

"**rate**" or "**rates**" means a municipal rate on property as envisaged in section 229 of the Constitution of the Republic of South Africa.

2. Adoption and implementation of Rates Policy

(1) The Council shall adopt and implement a rates policy consistent with the Act on the levying of rates on rateable property within the jurisdiction of the municipality; and

(2) The Council shall not be entitled to levy rates other than in terms of its rates policy.



3. Contents of Rates Policy

The Council's rates policy shall, *inter alia:*

(1) Apply to all rates levied by the Council pursuant to the adoption of its Annual Budget;

(2) Comply with the requirements for:

(a) the adoption and contents of a rates policy specified in section 3 of the Act;

(b) the process of community participation specified in section 4 of the Act; and

(c) the annual review of a Rates Policy specified in section 5 of the Act.

(3) Specify any further principles, criteria and implementation measures consistent with the Act for the levying of rates which the Council may adopt; and

(4) Include such further enforcement mechanisms, if any, as the Council may wish to impose.

4. Enforcement of Rates Policy

The Council's Rates Policy shall be enforced through the Credit Control and Debt Collection By-law and Policy and any further enforcement mechanisms stipulated in the Act and the Council's Rates Policy.

5. Short title and commencement

This By-law is the Rates By-law, and takes effect on 1 July 2014.

MIDVAAL LOCAL MUNICIPALITY
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MIDVAAL
LOCAL MUNICIPALITY

PROPERTY RATES POLICY

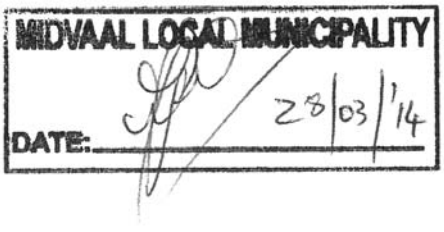
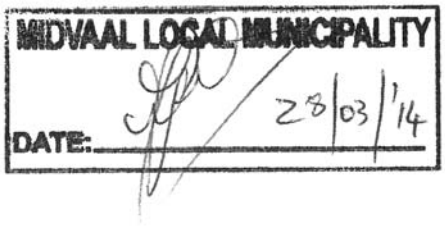


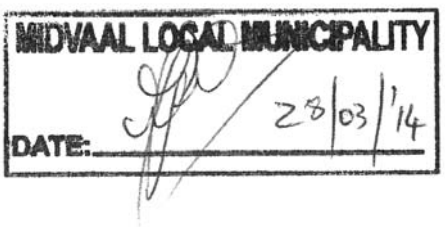
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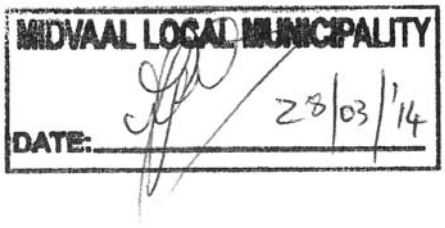
ABBREVIATIONS

MLM	Midvaal Local Municipality
AO	Accounting Officer
CFO	Chief Financial Officer
EM	Executive Mayor
IBT	Inclining Block Tariff
MFMA	Municipal Finance Management Act
MPRA	Municipal Property Rates Act
MSA	Municipal Systems Act
NCA	National Credit Act
SAPOA	South African Property Owners Association
SARS	South African Revenue Services
VAT	Value Added Tax



1. PURPOSE OF THIS DOCUMENT

This purpose of this Policy is to set out the guiding principles and legislative requirements that governs the compilation and management of the municipal Valuation Roll. This policy should at all times be read together with the Municipal Property Rates Act, 2004.



2. DEFINITIONS

In this policy, definitions, words and expressions have the same meanings as assigned to them in the Act, unless the context indicates otherwise: –

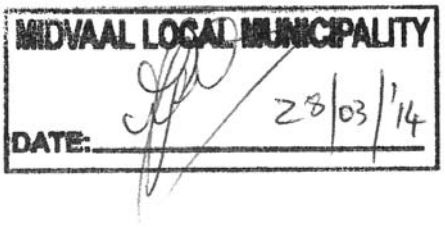
"accommodation" means accommodation in an accommodation establishment, a room, dwelling/ house or second dwelling unit, self-catering room, self-catering apartment or free standing building let to transient guests consisting of three or more lettable units;

"accommodation establishments" – consists of one or more of the following lettable types of accommodation, consisting of three or more lettable units –

(a) "Camping" (informal temporary accommodation in a unique environment) is defined by a property used for erection of tents or other temporary structures for temporary accommodation for visitors or holiday-makers, which includes ablution, cooking and other facilities that are reasonably and ordinarily related to camping, for use of such visitors, and includes a caravan park, whether publicly or privately owned, but which excludes the alienation of land on the basis of time sharing, sectional title share blocks or individual subdivision; and excludes resort accommodation or mobile homes;

(b) "Bed and Breakfast" (accommodation in a dwelling-house or second dwelling unit for transient guests) is defined by a dwelling-house or second dwelling in which the owner of the dwelling supplies lodging and meals for compensation to transient guests who have permanent residence elsewhere; provided that the primary use of the dwelling-house concerned shall remain for the living accommodation of a single family and where not more than 3 guest rooms are provided;

(c) "Guest House" (accommodation in a dwelling-house or second dwelling unit for transient guests) is defined by a dwelling-house (with a maximum of 10 rooms) or second dwelling which is used for the purpose of supplying lodging and meals to transient guests for compensation, in an establishment which exceeds the restrictions of a bed and breakfast establishment and may include business meetings, training sessions and conference facilities for resident guests;



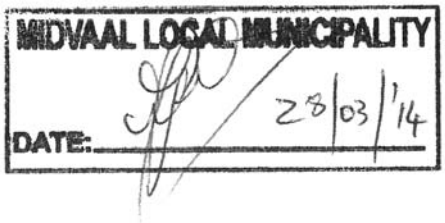
(d) “Self catering Accommodation” (accommodation for non-permanent residents and transient guests) is defined by a house, cottage, chalet, bungalow, flat, studio, apartment, villa, or similar accommodation where facilities and equipment are provided for guests to cater for themselves. The facilities should be adequate to cater for the maximum advertised number of residents the facility can accommodate;

(e) “Self catering Apartments” (accommodation for non-permanent residents and transient guests) is defined by a building or group of buildings consisting of separate accommodation units, each incorporating a kitchen / -ette facility, and which may include other communal facilities for the use of transient guests, together with outbuildings as are normally used therewith; which are rented for residential purposes and may include holiday flats; but does not include a hotel, dwelling-house, second dwelling or group house;

(f) “Backpackers Accommodation” (accommodation and communal facilities in a building or free standing buildings for transient guests) is defined by a building where lodging is provided, and may incorporate cooking dining and communal facilities for the use of lodgers, together with such outbuildings as are normally used therewith and includes a building in which dormitories / rooms / beds are rented for residential purposes, youth hostel, and backpackers’ lodge; but does not include a hotel, dwelling house, second dwelling or group house;

(g) “Boarding House” a dwelling–house or second dwelling which is used for the purpose of supplying lodging with or without meals or self catering to non permanent/permanent residents for compensation; provided that the primary use of the dwelling-house shall remain for the living accommodation of a single family;

“Act” – means the Local Government: Municipal Property Rates Act, 2004 (Act No 6 of 2004) and any amendment thereof;



“annually” – means once every financial year;

“Agricultural Purposes” in relation to the use of a property, excludes the use of a property for the purpose of eco-tourism or for the trading in or hunting of game,

"business and commercial property" – means –

(a) property used for the activity of buying, selling or trading in commodities or services and includes any office or other accommodation on the same property, the use of which is incidental to such activity; or

(b) property on which the administration of the business of private or public entities take place;

"Calendar year" shall mean 12 consecutive months of a financial year(s);

"category" –

(a) in relation to a property, means a category of properties determined in terms of section 8(2) of the Act;

(b) in relation to the owners of property, means a category of owners determined in terms of section 15(2) of the Act;

"conservation area" –

(a) a protected area as listed in section 10 of the Protected Areas Act, 2003;

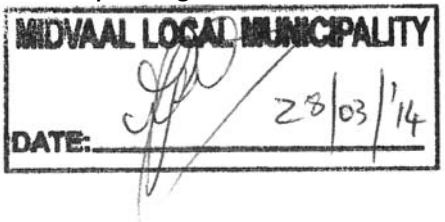
(b) a nature reserve established in accordance with the Nature and Environment Conservation Ordinance, no 19 of 1974; or

(c) any land area zoned as open area zone III in accordance with the Municipality's zoning scheme regulations;

provided that such protected areas, nature reserves or land areas, with the exception of tourism facilities that may be erected thereupon, be used exclusively for the conservation of the fauna and flora and the products of those land areas may not be traded for commercial gain;

"exclusion" – in relation to a Municipality's rating power, means a restriction of that power as provided for in sections 16 and 17 of the Act;

"exemption" – in respect of the calculation of a rate means an exemption granted in terms of section 15(1)(a) of the Act;



“farm property or small holding used for agricultural purpose” – means property that is used for the cultivation of soils for purposes of planting and gathering in of crops; forestry in the context of the planting or growing of trees in a managed and structured fashion; the rearing of livestock and game or the propagation and harvesting of fish, but excludes the use of a property for the purpose of eco-tourism; and in the respect of property on which game is reared, trade or hunted, it excludes any portion that is used for commercial or business purposes. In this definition such properties could also be included within the urban edge of a town;

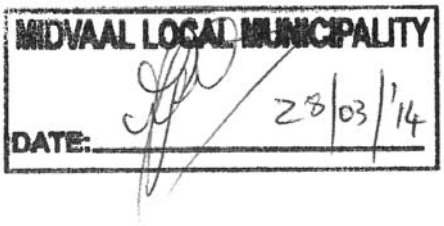
“farm property or small holding not used for any purpose” – means agricultural property or an agricultural zoned land which is not used for farming purposes, regardless of whether such portion of such property has a dwelling on it which is used as a dwelling and must be regarded as residential property;

“financial year” – the period starting from 1 July in a year to 30 June the following year;

“Illegal use” means any use that is inconsistent with or in contravention of the permitted use of the property.

“Improved” Any building where an occupation certificate was issued. Any equipment or machinery which, in relation to the property concerned, is immovable; excluding a lift, escalator, air-conditioning plant, fire extinguisher apparatus, water pump installation for a swimming pool or for irrigation or domestic purposes, and any other equipment or machinery that may be prescribed.

“industrial property” – means property used for construction, repair, trade or manufacturing, production, assembly or processing of finished or partially finished products from raw materials or fabricated parts on such a large scale that capital and labour are significantly involved, and includes any office or other accommodation on the same property, the use of which is incidental to such activity;



"local community" – in relation to the Municipality –

(a) means that body of persons comprising –

(i) the residents of the Municipality;

(ii) the rate payers of the Municipality;

(iii) any civic organisations and non-governmental, private sector or labour organisations or bodies which are involved in local affairs within the Municipality; and

(iv) visitors and other people residing outside the Municipality, who, because of their presence in the Municipality, make use of services or facilities provided by the Municipality; and

(b) includes, more specifically, the poor and other deprived sections of such body of persons;

"local Municipality" – a Municipality that shares municipal executive and legislative authority in its area with a district Municipality within whose area it falls and which is described in section 155(1) of the Constitution as a category B Municipality;

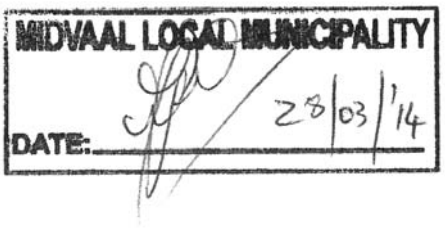
"market value" – in relation to a property, means the value of the property determined in accordance with section 46 of the Act;

"mining" means any operation or activity for the purpose of extracting any mineral on, in or under the earth, water or any residue deposit, whether by underground or open working or otherwise and includes any operation or activity incidental thereto;

"multiple purposes" – in relation to a property, means the use of a property for more than one purpose as intended in section 9 of the Act;

"Multiple use properties" means properties that cannot be assigned to a single category due to different uses.

"municipal council" or **"council"** – is a municipal council referred to in section 18 of the Municipal Structures Act, 1998 (Act No 117 of 1998);



"municipal manager" – means a person appointed in terms of section 82 of the Municipal Structures Act, 1998 (Act No 117 of 1998);

"municipal property" – is property registered or established in the name of the Midvaal Local Municipality;

"Municipality" –

(a) as a corporate entity means a Municipality as described in section 2 of the Municipal Systems Act, 2000 (Act No 32 of 2000); and

(b) as a geographical area, means a municipal area demarcated in terms of the Local Government: Municipal Demarcation Act, 1998 (Act No 27 of 1998);

"Newly ratable property" means any ratable property on which property rates were not levied by 30 June 2005, excluding a property that was incorrectly omitted from a valuation roll and for that reason was not rated before that date.

"occupier" – in respect of a property means a person in actual occupation of a property, whether or not that person has a right to occupy the property;

"open space" – means land that is used as a park, garden, for passive leisure or maintained in its natural state and that is zoned as open space;

"owner" –

(a) in relation to a property referred to in paragraph (*a*) of the definition of "property", means a person in whose name ownership of the property is registered;

(b) in relation to a right referred to paragraph (*b*) of the definition of "property" means a person in whose name the right is registered;

(c) in relation to a land tenure right referred to in paragraph (*c*) of the definition of "property" means a person in whose name the right is registered or to whom it was granted in terms of legislation; or

(d) in relation to public service infrastructure referred to in paragraph (*d*) of the definition of "property", means the organ of state which owns or controls that public service

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infrastructure, as envisaged in the definition in the Act of the term "publicly controlled" provided that a person mentioned below may for the purposes of this Act be regarded by a Municipality as the owner of a property in the following cases:-

(i) a trustee, in the case of a property in a trust, excluding state trust land;

(ii) an executor or administrator, in the case of a property in a deceased estate (the applicant must produce a letter from the Master of the Court or appropriate legal proof to substantiate the appointment);

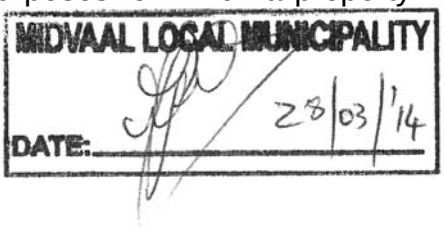
(iii) a trustee or liquidator, in the case of a property in an insolvent estate or in liquidation;

(iv) a judicial manager, in the case of a property in the estate of a person under judicial management;

(v) a curator, in the case of a property in the estate of a person under curatorship;

(vi) a person in whose name a usufruct or other personal servitude is registered, in the case of a property that is subject to a usufruct or other personal servitude (the applicant must produce a letter from the Master of the Court or appropriate legal proof to substantiate the appointment);

"permitted use" – in respect of a property means the limited purposes for which a property may be used in terms of the following –



(a) any restrictions imposed by –

(i) a condition of title; or

(ii) a provision of a town planning or land use scheme; or

(iii) any legislation applicable to any specific property or properties; or

(b) any alleviation of any such restrictions;

"private open space" means land that is privately owned and used for practising of sport, play- or leisure facilities or used as a botanical garden, cemetery or nature area and which is joined as Private Open Space;

"privately owned townships serviced by the owner" – means single properties (group housing or single residential erven), situated in an area not ordinarily being serviced by the Municipality, divided through subdivision or township establishment in (ten or more) full-title

stands and/or sectional title units and where all rates-related services inclusive of installation and maintenance of streets, roads, sidewalks, lighting, storm water drainage facilities, parks and recreation facilities, are installed at the full cost of the developer and are rendered and maintained by the residents, Home owners association or management companies/ bodies of such estate;

"property" – means

(a) immovable property registered in the name of a person, including, in the case of a sectional title scheme, a sectional title unit registered in the name of a person;
(b) a right registered against immovable property in the name of a person, excluding a mortgage bond registered against the property;
(c) a land tenure right registered in the name of a person or granted to a person in terms of legislation; or
(d) public services infrastructure;

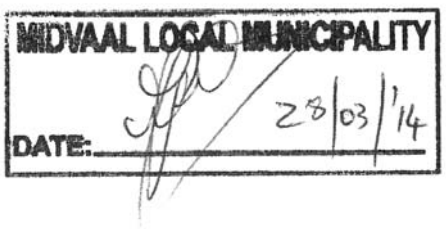
"property register" – a register of properties referred to in section 23 of the Act;

"Protected area" means an area that is or has to be listed in a register in terms of section 10 of the National Environmental Management: Protected Areas Act, 2003.

"Public Benefits Organisation" means property owned by public benefit organisations and used for any specified public benefit activity listed in item 1, 2 and 4 of part 1 of the Ninth Schedule to the Income Tax Act.

"Public Service Infrastructure" means publicly controlled infrastructure of the following kinds:

(a) national, provincial or other public roads on which goods, services or labour move across a municipal boundary;
(b) water or sewer pipes, ducts or other conduits, dams and water supply reservoirs, water treatment plants or water pumps forming part of a water or sewer scheme serving the public;



(c) power stations, power substations or power lines forming part of an electricity scheme serving the public;
(d) gas or liquid fuel plants or refineries or pipelines for gas or liquid fuels, forming part of a scheme for transporting such fuels;
(e) railway lines forming part of a national railway system;
(f) communication towers, masts, exchanges or lines forming part of a communications system serving the public;
(g) any other publicly used land as may be prescribed; or
(h) rights of way, easements or servitudes in connection with infrastructure mentioned in paragraphs (a) to (g);

"Public worship" means a property registered into the name of and used primarily as a place of worship by a religious community, including a residence registered in the name of this community which is occupied by an office bearer of the community.

"rate" – a municipal rate on a property envisaged in section 229(1)(a) of the Constitution;

"rateable property" – means property on which a Municipality may in terms of section 2 of the Act levy a rate, excluding property fully excluded from the levying of rates in terms of section 17 of the Act;

"rebate" – in relation to a rate payable on a property, means a discount granted in terms of section 15 of the Act on the amount of the rate payable on the property;

"reduction" – in respect of a rate payable on a property, means the lowering of the amount for which the property was valued and the rating of that property at that lower amount;

"residential property" – means <u>improved</u> property that: –
(a) is used predominantly (60% or more) for residential purposes, including any adjoining property registered in the name of the same owner and used together with such residential property as if it were one property. Any such grouping shall be regarded as

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one residential property for rate rebate or valuation reduction purposes, if still used dominantly for residential purposes;

(b) is a unit registered in terms of the Sectional Title Act and is used predominantly for residential purposes;

(c) is owned by a share-block company and is used predominantly for residential purposes;

(d) is a residence used for residential purposes situated on a property used for educational purposes;

(e) is property which is included as residential in a valuation list in terms of section 48(2)(b) of the Act;

(f) are retirement schemes and life right schemes used predominantly (60% or more) for residential purposes;

vacant properties (empty stands), hotels, hostels, old-age homes and accommodation establishments, irrespective of their zoning or intended use, have been specifically excluded from this property category;

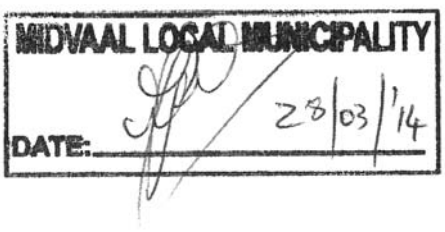
"small holding" – means

(a) all agricultural zoned land units situated within an urban region with an area of less than sixteen (16) hectares; or

(b) any agricultural zoned land unit situated outside an urban region with an area of less than sixteen (16) hectares;

"state owned property" – properties owned by the state which are not included in the definition of public service infrastructure in the act.

"vacant property" – means any land without any improvements thereon.



3. OBJECTIVES OF THE POLICY

The objectives of this policy are: –

3.1 to comply with the provisions of section 3 of the Act;

3.2 to determine criteria to be applied for –

3.2.1 levying differential rates for different property categories;
3.2.2 exemptions;
3.2.3 reductions;
3.2.4 rebates; and
3.2.5 rate increases.

3.3 to determine or provide criteria for the determination of the following –

3.3.1 property categories for the purpose of levying different rates; and
3.3.2 categories of owners of properties for the purpose of granting exemptions, rebates and reductions;

3.4 to determine how the Municipality's power should be exercised in terms of multiple-used properties;

3.5 to identify and quantify the following for the Municipality in terms of costs and the benefit for the community

3.5.1 exemptions, rebates and reductions; and
3.5.2 exclusions.

3.6 to take into account the effect of rates on the indigent;

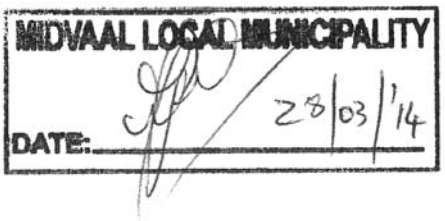
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3.7 to take into account the effect of rates on organisations that perform activities for public benefit;

3.8 to take into account the effect of rates on the public services infrastructure;

3.9 to determine measures for promoting local economic and social development; and

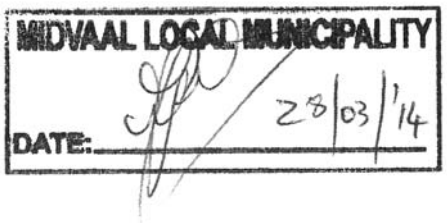
3.10 to identify all rateable revenue not being rated.



4. CONSTITUTIONAL AND LEGAL FRAMEWORK

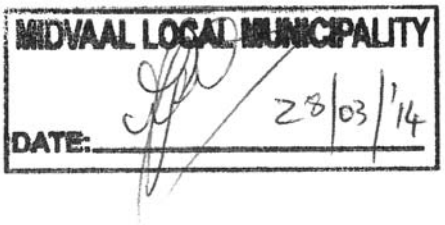
The Municipal Property Rates Act, 2004 forms the legal basis of this policy. However, the following additional legal references were observed during the compilation of this policy:-

- Municipal Finance Management Act, 2003;
- Municipal Systems Act, 2000;
- Municipal Property Rates Policy, as reviewed annually; and
- Constitution of the Republic of South Africa, 1996 as amended.



5. APPROVAL AND EFFECTIVE DATE

The policy will be effective as from 1 July 2014.



6. POLICY PRINCIPLES

6.1 The levying of a rate on a property is an exclusive right of the Municipality which will be exercised:–

6.1.1 optimally and comprehensively within the Municipality; and

6.1.2 with consideration of the total revenue sources of the Municipality.

6.2 The rating of properties will be done independently, justly, equitably and without prejudice and this principle will also be applied with the determination of criteria for exemptions, reductions and rebates as provided for in section 15 of the Act.

6.3 The levying of property rates must be implemented in such a way that: -

6.3.1 it is aimed at development;

6.3.2 it promotes sustainable local government by providing a stable and constant revenue source within the discretionary control of the Municipality; and

6.3.3 it promotes economic, social and local development.

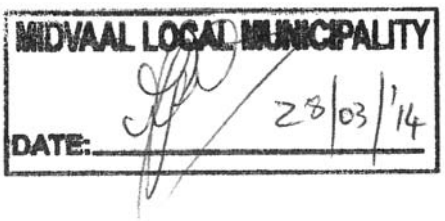
6.4 Property rates will be levied to: –

6.4.1 correct the imbalances of the past; and

6.4.2 minimise the effect of rates on the indigent.

6.5 The market value of a property serves as basis for the calculation of property rates.

6.6 The rate tariff will be based on the value of all rateable properties and the amount the Municipality needs to fund community and subsidised services, after taking into account any possible surplus generated from trading and economic services and the amounts required to finance exemptions, rebates and reductions of rate, as approved by council from time to time.



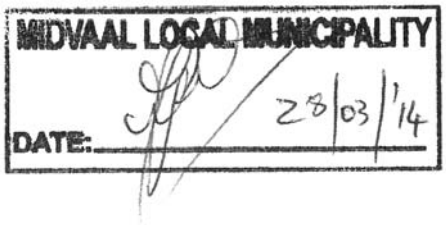
6.7 Trade and economic services will be financially ring fenced and tariffs and service charges will as far as possible be calculated in such a way that the revenue generated covers the cost of the services or generate a surplus.

6.8 The provision for operating capital and bad debt must be related to community and subsidised services and must not include any provisions in respect of trade and economic services.

6.9 Property rates will be used to finance community and subsidised services.

6.10 Surpluses from trade and economic services may be used to subsidise community and subsidised services.

6.11 The revenue basis of the Municipality will be optimally protected by limiting the exemptions, rebates and reductions.

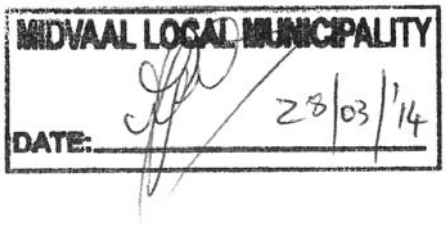


7. CATEGORIES OF PROPERTIES

7.1 Subject to section 19 of the Act, Midvaal Local Municipality may, in terms of the criteria set out in its rates policy, levy different rates for different categories of rateable properties. The Midvaal Local Municipality will levy rates based on use of the property.

7.2 Categories of rateable property include the following: –

7.2.1 residential (improved property);
7.2.2 property that is vacant (empty stands) with zoning or proposed use earmarked for residential;
7.2.3 property that is vacant (empty stands) with zoning or proposed use earmarked for industrial, business or commercial;
7.2.4 industrial;
7.2.5 business and commercial;
7.2.6 farm properties / smallholdings used for –
 7.2.6.1 agricultural purposes (larger than 16 hectares);
 7.2.6.2 other commercial, business or industrial purposes;
 7.2.6.3 residential purposes (smaller than 16 hectares); or
 7.2.6.4 purposes other than those specified in subparagraphs (7.2.6.1) to (7.2.6.3) (smaller than 16 hectares);
 7.2.6.5 purposes other than those specified in subparagraphs (7.2.6.1) to (7.2.6.3) (larger than 16 hectares);
7.2.7 state-owned property;
7.2.8 municipal property;
7.2.9 public services infrastructure;
7.2.10 privately owned schools;
7.2.11 privately owned hospitals;
7.2.12 privately owned sport grounds;
7.2.13 private open space;
7.2.14 old age institutions registered at the Department of Welfare;



7.2.15 state trust land;

7.2.16 property

7.2.16.1 acquired through the Provision of Land and Assistance Act, 1993 (Act No 126 of 1993) or the Restitution of Land Rights Act, 1994 (Act No 22 of 1994); or

7.2.16.2 which is subject to the Communal Property Associations Act, 1996 (Act No 28 of 1996);

7.2.17 protected areas;

7.2.18 properties on which national monuments are situated;

7.2.19 properties used for any specific public benefit activities listed in Part 1 of the Ninth Schedule to the Income Tax Act, 1962 (Act No 58 of 1962);

7.2.20 properties used for multiple purposes, subject to section 9 of the Act;

7.2.21 accommodation establishments;

7.2.22 servitudes; and

7.2.23 such other categories as may be determined by the council from time to time.

8. CATEGORISATION OF OWNERS

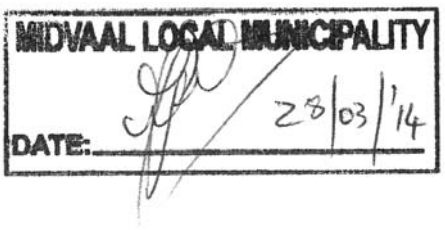
8.1 For the purpose as described in section 3.2.1 of the policy the following categories of owners will be recognised in terms of section 15(2) of the Act:–

8.1.1 Those owners who qualify and who are registered as indigent in terms of the adopted indigent policy of the Municipality;

8.1.2 Residential property owners who are 60 years of age and older who are both the permanent occupants and the sole owners of the property concerned whose aggregate household income is proved to the satisfaction of the municipal manager not to exceed two state pensions per month;

8.1.3 Residential property owners who are 60 years of age and older who are both the permanent occupants and the sole owners of the property concerned whose aggregate household income is proved to the satisfaction of the municipal manager not to exceed a monthly amount as annually determined by council in the tariff determination process;

8.1.4 Owners of properties situated in “privately owned townships” serviced by the owner as referred to in clause 12.1.2 of this policy;



8.1.5 Owners of agricultural properties as referred to in clause 12.1.3 of this policy;

8.1.6 Owners of farm properties that are used for residential purposes;

8.1.7 Owners of farm properties that are used for industrial, commercial and business purposes;

8.1.8 Owners of smallholdings used for residential purposes;

8.1.9 Owners of smallholdings used for industrial, commercial and business purposes;

8.1.10 Owners of developed properties not yet sold and transferred;

8.1.11 Public Benefit Organisations registered at the Department of Welfare and used to further the objectives of such organisations;

8.1.12 Non Profit Organisations;

8.1.13 Property registered in the name of and used primarily as a place of worship by a religious community including an official residence;

8.1.14 Properties belonging to a land reform beneficiary or his or her heirs for the first ten (10) years of the registration of the title in the office of the Registrar of Deeds;

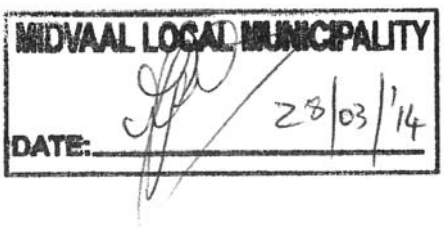
8.1.15 Owners of properties situated within an area affected by: –

8.1.15.1 a disaster within the meaning of the Disaster Management Act, 2002 (Act No 57 of 2002); or

8.1.15.2 any serious adverse social or economic conditions;

8.1.16 Property owners providing catalytic developments to further the Municipality's Local Economic Development Goals as approved by Council for each qualifying development individually (related to Business / Industrial properties)

8.1.17 Property owners providing catalytic developments to further the Municipality's Local Economic Development Goals as approved by Council for each qualifying development individually (related to Housing projects)



9. DIFFERENTIAL RATING

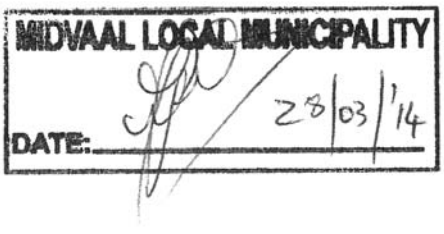
9.1 Criteria for differential rating on different categories of properties in terms of section 8(1) of the Act will be according to –

9.1.1 the nature of the property including its sensitivity to rating, e.g. agricultural properties used for agricultural purposes; and

9.1.2 the promotion of social and economic development within the Municipality.

9.2 Differential rating among the various property categories will be done by way of setting a different cent amount in the rand for each property category; and

9.3 by way of reductions and rebates as provided for in this policy document.



10. EXEMPTIONS

10.1 Categories of properties

10.1.1 The following property categories are exempt from the payment of property rates: –

10.1.1.1 Municipal properties are exempted from paying property rates.

10.1.1.2 Residential properties

All residential property with a market value of less than the amount as annually determined by the Municipality, are exempted from paying property rates. The impermissible rates of R15 000 contemplated in terms of section 17(1)(h) of the Act and can be supplemented by council based on affordability, ratepayer profile and the municipality's predetermined level of support to the poor.

10.1.1.3 Public Benefit Organisations –

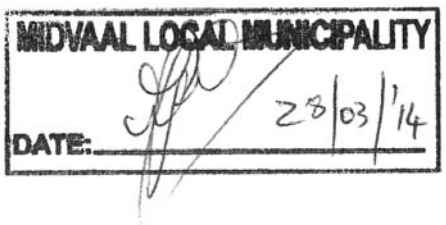
Public Benefit Organisation Property means property owned by public benefit organisations and used for any specified public benefit activity listed in item 1 (welfare and humanitarian), item 2 (health care), and item 4 (education and development) of part 1 of the Ninth Schedule to the Income Tax Act.

10.1.2 Exemptions in 101.1.1 to 10.1.1.2 will automatically apply and no application is thus required by the owners of such property.

10.1.2.1 All possible benefiting organisations in clause 10.1.1.3 must apply annually, by 10 July, for exemption for the financial year in respect of which the application is made. If the exemption applied for is approved the exemption will be valid for the full financial year. Applications received after 10 July for the financial year in respect of which the application is made will only be applied for the remainder of that financial year if approved.

10.1.2.2 A rate-exemption certificate as issued by the South African Revenue Service (SARS), as contemplated in terms of Part 1 of the Ninth Schedule to the Income Tax Act, 1962 (Act No 58 of 1962), must be submitted together with the application.

10.1.2.3 The Municipality retains the right to refuse the application for exemption if the details supplied in the application were incomplete, incorrect or false.



10.2 Impermissible Rates

In terms of section 17(1) of the Property Rates Act, 2004, the Municipality may, inter alia, not levy rates:-

(a) on the first 30% of the market value of public service infrastructure;

(b) on any part of the seashore as defined in the Seashore Act, 1935 (Act No. 21 of 1935);

(c) on any part of the territorial waters of the Republic as determined in terms of the Maritime Zones Act, 1994 (Act No. 15 of 1994);

(d) on any islands of which the state is the owner, including the Prince Edward Islands referred to in the Prince Edward Islands Act, 1948 (Act No. 43 of 1948);

(e) on those parts of a special nature reserve, national park or nature reserve within the meaning of the National Environmental Management Protected Areas Act, 2003 (Act No. 57 of 2003), or of a national botanical garden within the meaning of the National Environmental Mangement: Biodiversity Act, 2004 (Act No. 10 of 2004), which are not developed or used for commercial, business, agricultural or residential purposes;
(Para. (e) substituted by s. 29 of Act No. 19 of 2008)

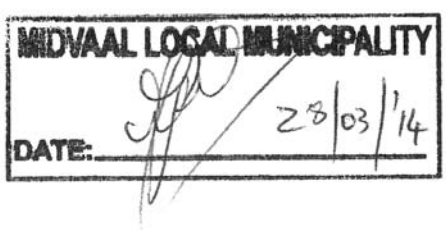
(f) on mineral rights within the meaning of paragraph (b) of the definition of “property” in 1;

(g) on a property belonging to a land reform beneficiary or his or her heirs, provided that this exclusion lapses ten years from the date on which such beneficiary’s title was registered in the office of the Registrar of Deeds;

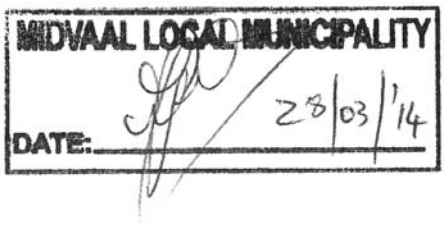
(h) on the first R15 000 of the market value of a property assigned in the valuation roll or supplementary valuation roll of a municipality to a category determined by the municipality–

(i) for residential properties; or

(ii) for properties used for multiple purposes, provided one or more components of the property are used for residential purposes; or



(i) on a property registered in the name of and used primarily as a place of public worship by a religious community, including an official residence registered in the name of that community which is occupied by an office-bearer of that community who officiates at services at the place of worship.



11. REBATES

11.1 Categories of properties

11.1.1 Residential

11.1.1.1 The municipality may grant rebates to rateable residential properties as approved by Council on an annual basis;

11.1.2 Business, commercial and industrial properties

11.1.2.1 The Municipality may grant rebates to rateable undertakings that promote local, social or economic development within the municipal jurisdiction. The following criteria will apply: –

(a) job creation in the municipal area;

(b) social upliftment of the local community; and

(c) creation of infrastructure for the benefit of the community.

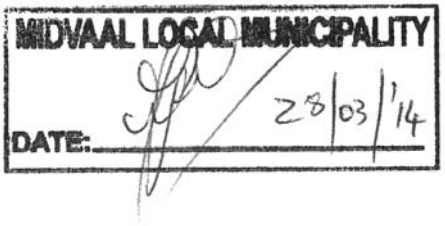
11.1.2.2 Rebates will be granted on application subject to: -

(a) a business plan issued by the directors of the company indicating how the local, social and economic development objectives of the Municipality are going to be met;

(b) a continuation plan issued by the directors and certified by the auditors stating that the objectives have been met and how they plan to continue meeting the objectives; and

(c) an assessment by the municipal manager or his/her nominee indicating that the company qualifies.

11.1.2.3 Council will consider all LED requests on an individual basis according to merits.



11.1.3 Privately owned townships serviced by the owner

The Municipality may grant an additional rebate, to be determined on an annual basis, which applies to privately owned townships serviced by the owners as defined in terms of paragraph 1 of this policy. Applications to this effect must be addressed once off in writing to the Municipality by 10 July of the financial year in respect of which the rate is levied. If the rebate applied for is granted the rebate will apply for the full financial year. Applications received after 10 July for the financial year in respect of which the application is made will only be applied for the remainder of that financial year if approved.

11.1.4 Privately owned schools

11.1.4.1 The municipality may grant rebates to rateable privately owned schools as approved by Council on an annual basis;

11.1.5 Old age institutions registered at the Department of Welfare

11.1.5.1 The municipality may grant rebates to old age institutions registered at the Department of Welfare as approved by Council on an annual basis;

11.1.6 Communal Land

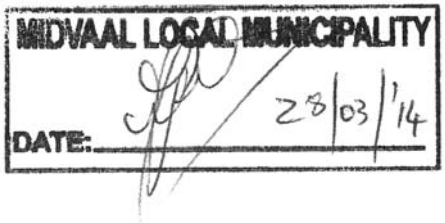
11.1.6.1 The municipality may grant rebates to communal land as approved by Council on an annual basis;

11.1.7 Properties on which national monuments are situated

11.1.8 The municipality may grant rebates to Properties on which national monuments are situated as approved by Council on an annual basis;

11.1.9 Rebate on agricultural property

11.1.9.1 When considering the criteria to be applied in respect any exemptions, rebates and reductions on any properties used for agricultural purposes the Municipality must take into account: –



(a) the extent of rates-funded services rendered by the Municipality in respect of such properties;
(b) the contribution of agriculture to the local economy;
(c) the extent to which agriculture assists in meeting the service delivery and developmental objectives of the Municipality; and
(d) the contribution of agriculture to the social and economic welfare of farm workers.

11.1.9.2 In terms of section 84 of the Act the Minister for Provincial and Local Government, and in concurrence with the Minister of Finance as required through section 19 of the Act, may determine that a rate levied by council on a category of non-residential property may not exceed a prescribed ratio to the tariff levied on residential properties. In the absence of any such promulgation the Municipality will apply a standard ratio for agricultural properties from 1:0.25 (75% rebate on the tariff for residential properties). Before the start of 2009/2010 financial year the Minister had promulgated a ratio of 1:0.25 which remains unchanged for the 2014/2015 financial year.

11.1.9.3 An additional rebate (based on the total property value) of maximum 10% will be granted by the Municipality in respect of the following: –
(a) 2.5% for the provision of accommodation in a permanent structure to full-time farm workers and their dependents or families;
(b) 2.5% if these residential properties are provided with potable water;
(c) 2.5% if the residential properties of the farm workers are electrified; or
(d) 2.5% for the provision of land for own workers for educational or recreational purposes to own workers and workers from surrounding farms.

11.1.9.4 The granting of additional rebates is subject to the following: –
(a) All applications must be addressed in writing to the Municipality indicating how service delivery and development obligations of the Municipality and contribution to the social and economic welfare of farm workers were met. This application will be required as a once-off requirement;

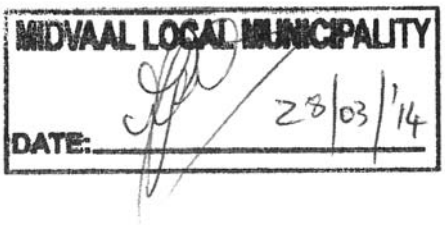
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(b) Any new applications must be addressed in writing to the Municipality by 10 July of the financial year in respect of which the application is made. If the rebate applied for is granted the rebate will apply for the full financial year and such application will again be regarded as a once-off requirement. Applications received after 10 July for the financial year in respect of which the application is made will only be applied for the remainder of that financial year if approved;

(c) Council reserves the right to send officials or its agents on an annual basis to premises/households receiving relief for the purposes of conducting an on-site audit of the details supplied. The onus also rests on recipients to immediately notify Council of any changes in their original applications; and

(d) The Municipality retains the right to refuse applications for rebates if the details supplied in the application form were incomplete, incorrect or false.

11.1.9.5 No other rebates will be granted to properties that qualify for the agricultural rebate. In order to avoid doubt, properties that qualify for the agricultural rebate will not be entitled to the residential rate exemption as set out in paragraph 10.1.1.2 of this policy.



11.2 Categories of Owners

11.2.1 Indigent owners

The owners that qualify and are registered indigents in terms of the Municipality's policy for indigents receive a rebate on the payment of rates as specified in the Municipality's policy for indigents.

11.2.2 Rebates for pensioners

11.2.2.1 Pensioners qualify for special rebates in accordance with their monthly household income. Property owners who meet the following requirements may apply for a rebate:–

(a) The property must be registered in the name of the applicant/s;

(b) The owner/s must be at least sixty (60) years of age (the age of the oldest spouse/partner will be considered);

(c) The property owner may not be the owner of more than one property;

(d) In the case of a semi-detached house, of which a section is rented out, only the rates paid on that section occupied by the owner is subject to rebates;

11.2.2.2 Property owners must apply annually for a rebate on a prescribed form as stipulated by the Municipality, and these applications must reach the Municipality by 10 July of the financial year in respect of which rates are levied. If the rebate applied for is granted, the rebate will apply for the full financial year. Applications received after 10 July for the financial year in respect of which the application is made will only be applied for the remainder of that financial year if approved.

11.2.2.3 The Municipality retains the right to refuse the granting of rebates if the details supplied in the application were incomplete, incorrect or false.

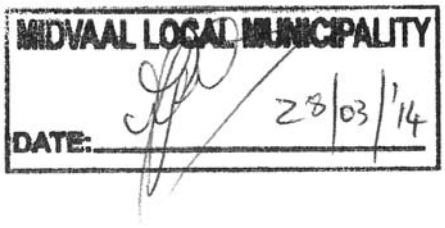
11.2.2.4 Applications must be accompanied by the following information: –

(a) a certified copy of the identity document of the owner or any other proof of the owner's age which is acceptable to the Municipality;

(b) sufficient proof of income of the owner and the his/her spouse;

(c) three month's bank statements;

(d) an affidavit from the owner;



12. REDUCTIONS

12.1 Reductions as contemplated in section 15 of the Act will be considered on an ad-hoc basis in the event of the following:-

12.1.1 Partial or total destruction of a property; or

12.1.2 Disasters as defined in the Disaster Management Act, 2002 (Act 57 of 2002).

12.2 The following conditions shall be applicable in respect of clause 13.1:-

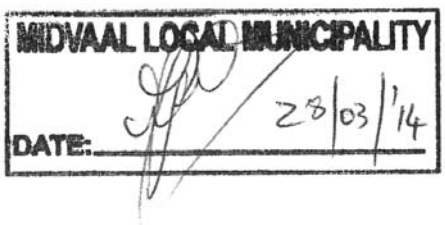
12.2.1 The owner of the property referred to in clause 13.1.1 shall apply in writing for a reduction and the onus will rest on such applicant to prove to the satisfaction of the Municipality that his property has been totally or partially destroyed. He/ she will also have to indicate to what extent the property can still be used and the impact on the value of the property.

12.2.2 Owners of property referred to in clause 13.1.2 will only qualify for a rebate if affected by a disaster as referred to in the Disaster Management Act, 2002 (Act No. 57 of 2002).

12.2.3 A maximum reduction to be determined on an annual basis shall be allowed in respect of both clauses 13.1.1 and 13.1.2. .

12.2.4 An ad-hoc reduction will not be given for a period in excess of 6 months, unless the Municipality gives further extension on application.

12.2.5 If rates were paid in advance prior to granting of a reduction the Municipality will give credit to such an owner as from the date of reduction until the date of lapse of the reduction or the end of the period for which payment was made whichever occurs first.



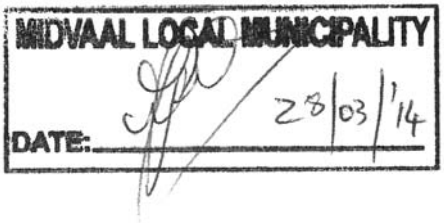
13. COST OF EXEMPTIONS, REBATES AND REDUCTIONS

13.1 The chief financial officer must inform council during the budgeting process of all the costs associated with the proposed exemptions, rebates, reductions, phasing-in of rates and grants in the place of rates.

13.2 Provision must be made on the operating budget for –

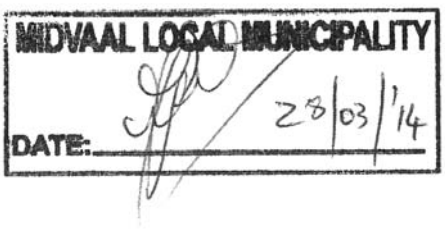
13.2.1 the full potential revenue associated with property rates; and

13.2.2 the full cost associated with exemptions, rebates and reductions.



14. MULTIPLE USE OF PROPERTIES

Properties used for multiple purposes which for example do not fall within the definition of Residential Properties and, accordingly, do not qualify for the residential rate, may be included into the category of multiple-use properties, as per section 9 (1) (c) of the Property Rates Act, for which an apportionment of value for each distinct use of the property will be calculated by the municipal valuer and used for billing at the appropriate and applicable rate, in cases where the municipal valuer considers it reasonable to apply this category as per section 9 (1) (c) of the Property Rates Act.



15. PROPERTY REGISTER

15.1 A property register, divided into Part A and B, regarding all properties in the municipal area of jurisdiction, must be compiled and maintained by the Municipality.

15.2 Part A of the register will consist of the current valuation roll of the Municipality and will include all supplementary valuations, as done from time to time.

15.3 Part B of the register will specify which properties on the valuation roll or any supplementary valuation roll are subject to: –

15.3.1 exemption from rates in terms of section 15 of the Act;

15.3.2 a reduction or rebate in terms of section 15 of the Act;

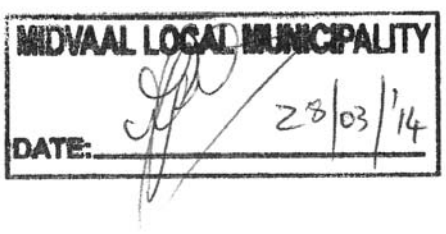
15.3.3 the phasing in of tariffs in terms of section 21 of the Act; and

15.3.4 exclusions as referred to in section 17 of the Act.

15.4 The register will be open for inspection by the public during office hours at the head office of the Municipality or on the internet website of the Municipality.

15.5 Part A of the register will be updated at least annually by the Municipality during the supplementary valuation process.

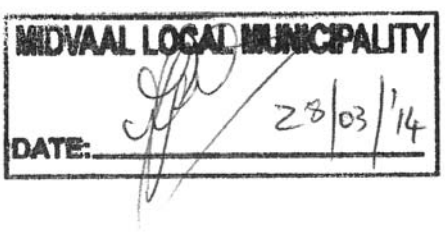
15.6 Part B of the register will be updated annually as part of the implementation of the Municipality's annual budget.



16. NOTIFICATION OF RATES

16.1 Council will give notice at least 30 days before the rate approved during the annual budget meeting will come into effect. Accounts furnished after the 30 days' notice will be based on the new rates.

16.2 A notice containing the extent of council's resolution and the date on which the new rate will come into effect will be displayed by the Municipality at places installed for this purpose.



17. CONSULTATION PROCESS

17.1 Before council commands a new valuation in terms of the Act, a consultation process involving all interest groups will be undertaken during which the purpose and method of valuation will be explained.

17.2 Before the Municipality accepts the rates policy the municipal manager will follow a process of public participation, as prescribed in chapter 4 of the Municipal Systems Act, and comply with the following requirements: –

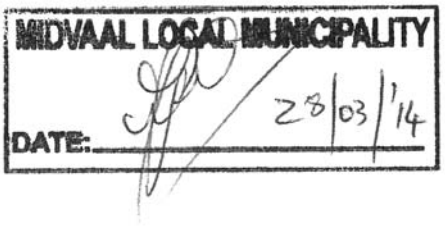
17.2.1 Display the draft property rates policy continuously for a period of thirty (30) days at the Municipality's head office, satellite offices and on the website.

17.2.2 Publish a notice in the media stating that the draft property rates policy was compiled for submission to council and that such a policy is available at the different municipal offices and on the website for public inspection.

17.2.3 Property owners and interested persons may obtain a copy of the draft policy from the municipal office during office hours at a prescribed cost per copy.

17.2.4 Property owners and interested parties are invited to address written suggestions or representations to the Municipality within the period prescribed in the notice.

17.2.5 Council will consider all suggestions and/or representations received during the finalisation of the property rates policy.



18. FURNISHING OF ACCOUNTS

18.1 The Municipality will furnish each person liable for the payment of a rate with an account, specifying: -

18.1.1 the amount due for rates payable;

18.1.2 the date on or before which the amount is payable;

18.1.3 how the amount was calculated;

18.1.4 the market value of the property; and

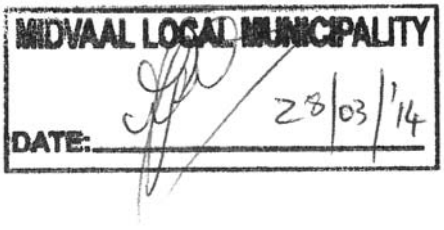
18.1.5 exemptions, reductions and rebates or the phasing-in of rates, if applicable.

18.2 A person liable for the payment of rates remains liable for payment, whether or not that person has received an account from the Municipality. Inquiries must be addressed to the Municipality by such a person who has not received an account.

18.3 In the case of joint ownership the Municipality will, upon request, furnish accounts to one or more individual owners.

18.4 In the case of joint ownership the Municipality may, in order to limit costs and prevent unnecessary administration, recover the rates continuously from one of the joint owners.

18.5 The furnishing of accounts for Rates is subject to section 102 of the Municipal Systems Act (Act 32 of 2000).



19. PAYMENT OF RATES

19.1 Council may claim the payment of rates: -

19.1.1 on a monthly basis; or

19.1.2 annually before 31 August of each year.

19.2 Rate payers may choose to pay rates in one instalment annually on or before 31 August of each year. The property owner subject to rates must notify the municipal manager or his/her nominee by no later than 30 June in any financial year, or such later date in the financial year as determined by the Municipality, that he/she wishes to pay all rates in respect of such a property in annual instalments, after which such an owner shall be entitled to pay all rates in the subsequent financial year and all subsequent financial years annually until he/she withdraws this notice in similar manner.

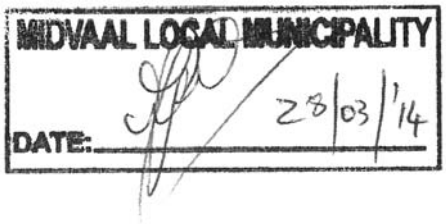
19.3 If a rate is payable: -

19.3.1 in a single amount annually, it must be paid on or before a data determined by the Municipality.

19.3.2 in installments, it must be paid on or before a date in each period determined by the Municipality.

19.4 Interest on rates in arrear, whether paid annually or in equal monthly instalments, shall be calculated in accordance with the provisions of the Municipality's policy on credit control and debt collection.

19.5 If a property owner who in terms of this policy is liable for the payment of property rates fails to pay such rates in the prescribed manner, it will be recovered from him / her in accordance with the provisions of the Municipality's by-law on credit control and debt collection.



19.6 Rates in arrear shall be recovered from tenants, occupiers and agents for the owner in terms of section 28 and 29 of the Act and the Municipality's policy on credit control and debt collection.

19.7 In the event of rates levied emanating from a supplementary valuation, payment thereof will be according to the date determined by the Municipality and payment thereof may not be withheld pending an objection or appeal as determined by section 78(2) of the Act.

19.8 In the event that a property has been transferred to a new owner and rates emanating from a supplementary valuation become due and payable, the owner on date of the levy will be held responsible for the settlement of the interim rates account.

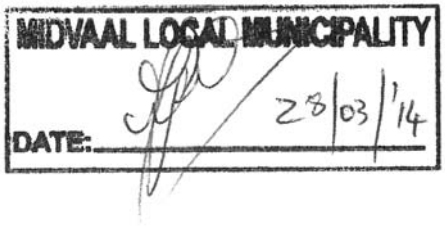
19.9 Where the rates on a specific property have been incorrectly determined, whether because of an error or omission on the part of the Municipality or false information provided by the property owner concerned, or a contravention of the permitted use to which the property concerned may be put, the rates payable shall be adjusted retrospectively for the period of the date on which the error or omission is detected, back to the date on which rates were first levied in terms of the current valuation roll.

19.10 Where the error occurred because of false information provided by the property owner or as a result of a contravention of the permitted use of the property, interest on the unpaid portion of the adjusted rates payable shall be levied at the maximum rate permitted by prevailing legislation.

19.11 Rates Clearance Certificates:-

19.11.1 will be valid for 60 days from the date it has been issued;

19.11.2 no extension on a certificate will be granted. If it expires a new application for clearance must be made.



20. ADJUSTMENT OF RATES PRIOR TO SUPPLEMENTARY VALUATION

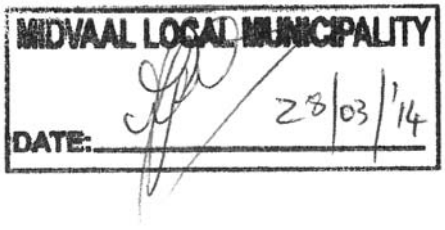
20.1 In circumstances where a valuation has been carried out by the municipal valuer in pursuance of a Supplementary Valuation (SV) in terms of section 78(1)(d) or 78(1)(f) of the MPRA as a result, for example, of a demolition having taken place on a property or a fire having destroyed buildings on a property, but the Municipality has not yet included such valuation of the relevant property in a SV, such valuation shall be submitted to the CFO for approval to levy rates on the property in accordance with such valuation, with effect from the date of the occurrence of the event which caused a SV to be required.

20.2 If the owner of a property which has been subdivided or consolidated after the last general valuation wishes to sell the consolidated erf, or one or more of the erven which have been subdivided off the parent erf, as the case may be, applies to the Municipality for a clearance certificate in terms of section 118 of the Systems Act and if the Municipality has not yet included such valuation of the relevant property/s in a SV, then:-

20.2.1 the municipal valuer shall conduct a valuation of the relevant property(ies) for purposes of a SV; and

20.2.2 the valuation shall be submitted to the CFO for approval of the levying of rates on such property(ies) in accordance with such valuation, with effect from the date on which the relevant subdivision or consolidation (as the case may be) was registered in the Deeds Office.

20.3 Any valuations performed in terms of paragraph 15 shall be included in the next SV prepared by the municipality without any amendments to the valuation and any objections to such valuation may only be lodged once such SV is made public in terms of section 49 of the MPRA.

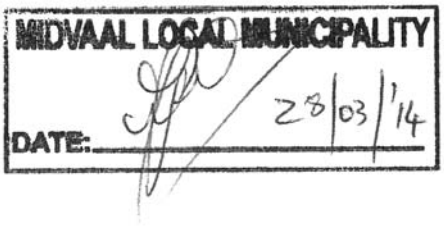


21. FREQUENCY OF VALUATIONS

21.1 The Municipality shall prepare a new valuation roll at least every four (4) years.

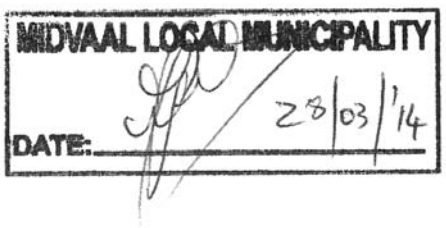
21.2 In accordance with the Act the Municipality, under exceptional circumstances, may request the MEC for Local Government and Housing, to extend the validity of the valuation roll to five (5) years.

21.3 Supplementary valuations shall be done on a continual basis, but at least on an annual basis, in order to ensure that the valuation roll is maintained.



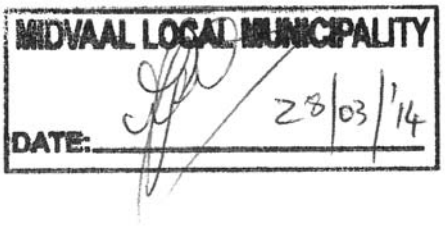
22. REVIEW PROCESS

The Property Rates Policy must be reviewed on an annual basis.



23. IMPLEMENTATION

The policy will be effective as from 1 July 2014.



MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/14

MIDVAAL
LOCAL MUNICIPALITY

CREDIT CONTROL AND DEBT COLLECTION BY-LAWS

MIDVAAL LOCAL MUNICIPALITY
CREDIT CONTROL AND DEBT COLLECTION BY-LAWS

Date of Commencement: 1 JULY 2014

Bylaw

To give effect to the implementation of the Midvaal Local Municipality's Credit Control and Debt Collection Policy and to provide for matters incidental thereto.

Preamble

WHEREAS the Midvaal Local Municipality has adopted a Credit Control and Debt Collection Policy on 1 July 2014;

AND WHEREAS section 98 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000), requires a municipal council to adopt bylaws to give effect to the municipality's credit control and debt collection policy;

BE IT THEREFORE ENACTED by the Council of the Midvaal Local Municipality, as follows:

1. Definitions

In this By-Law any word or expression to which a meaning has been assigned in the Act, shall bear the same meaning in these bylaws, and unless the context indicates otherwise —

"**Act**" means the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000), as amended from time to time;

"**Council**" means the Council of the Midvaal Local Municipality; and

"**rate**" or "**rates**" means a rate on property and or services as approved by council.

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2. Objective of the Bylaw

The objective of this bylaw is to —

i. ensure that all monies due and payable to the Council are collected;

ii. provide for customer management, credit control procedures and mechanisms and debt collection procedures and mechanisms;

iii. provide for indigents in a way that is consistent with rates and tariff policies and any national policy on indigents;

iv. provide for extension of time for payment of accounts;

v. provide for charging of interest on arrears, where appropriate;

vi. provide for termination of services or the restriction of the provision of services when payments are in the arrears;

vii. provide for matters relating to unauthorised consumption of services, theft and damages.

3. Application of By-law

This bylaw shall only apply to money due and payable to the Council for –

a. Assessment rates and taxes levied on the property
b. Fees, surcharges on fees, charges and tariffs in respect of municipal services, such as –

i. provision of water;
ii. refuse removal;
iii. sewerage;
iv. removal and purification of sewerage;
v. electricity consumption;
vi. municipal services provided through prepaid meters.
vii. all other related costs for services rendered in terms of the property

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viii. interest which has accrued or will accrue in respect of money due and payable to the Council;

ix. collection charges in those cases where the Council is responsible for

(aa) the rendering of municipal accounts in respect of any one or more of the municipal services;

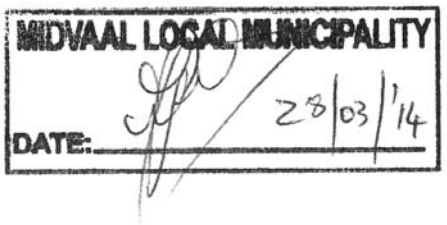
(bb) the recovery of amounts due and payable in respect thereof.

4. Short title and commencement

This By-law is the Credit control and Debt collection Bylaw, and takes effect on 1 July 2014.

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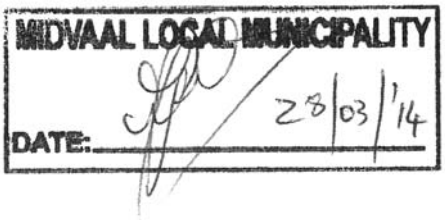




CREDIT CONTROL AND DEBT COLLECTION POLICY

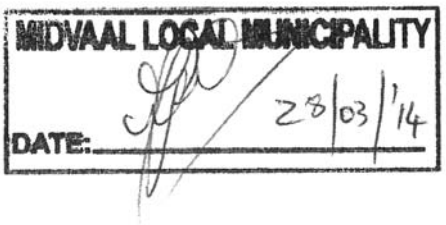
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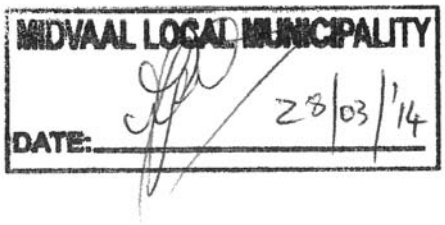
ABBREVIATIONS

AO	Accounting Officer
CFO	Chief Financial Officer
EM	Executive Mayor
MFMA	Municipal Finance Management Act
MPRA	Municipal Property Rates Act
MSA	Municipal Systems Act
NCA	National Credit Act
VAT	Value Added Tax
IBT	Inclining Block Tariff



DEFINITIONS

“Accounting Officer” means the municipal manager appointed in terms of Section 60 of the Municipal Finance Management Act;



“Annually” means once every financial year;

"Arrangement" means a written agreement entered into between the Municipality and the customer where specific repayment parameters are agreed to. Such arrangement does not constitute a credit facility envisaged in terms of section 8(3) of the National Credit Act but is deemed to be Incidental Credit as envisaged in terms of section 4(6)(b) read with section 5(2) and (3) of the National Credit Act;

"Arrears" means those rates and service charges that have not been paid by the due date and for which no arrangement has been made;

"Authorised Representative" means a person or instance legally appointed by the Municipality to act or to fulfill a duty on its behalf;

“Basic Municipal Services” shall mean a municipal service necessary to ensure an acceptable and reasonable quality of life, which service – if not provided – would endanger public health or safety or the environment;

"Billing Date" means the date upon which the monthly statement is generated and debited to the customer's account;

“Business and Commercial Property” means -

- property used for the activity of buying, selling or trading in commodities or services and includes any office or other accommodation on the same property, the use of which is incidental to such activity; or
- property on which the administration of the business of private or public entities take place.

“By-law” shall mean legislation passed by the council of the Municipality, and which shall be binding on the Municipality and on the persons and institutions to which it applies;

"Chief Financial Officer" means the person appointed as the Chief Financial Officer of the Municipality, or his or her nominee;

"Consolidated Account" means an account which is a consolidation of any separate accounts of a person who is liable for payment to the Municipality;

"Council" means the Council of the Midvaal Local Municipality;

“Councillor” shall mean a member of the Council of the Midvaal Local Municipality;

"Credit Control" means all the functions relating to the collection of monies owed by ratepayers and the users of municipal services;

"Customer" means the occupier of any premises to which the Municipality has agreed to supply or is actually supplying municipal services, or if no occupier can be identified or located, then the owner of the premises and includes any customer of the Municipality;

"Debt Collectors" means an external person or entity appointed by the Municipality to collect monies due and payable to the Municipality, subject to the conditions contained herein;

"Defaulter" means any person who owes arrears to the Municipality;

"Delivery Date" shall mean the date on which the periodic account is delivered to the customer or 3 days after **the** date the account was posted, whichever is the first;

“Domestic Customer or User” of municipal services shall mean the person or household which municipal services are rendered in respect of “residential property” as defined below;

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"Due Date" in relation to rates and services -

(a) rates due in respect of any immovable property, means:-

- the date for payment indicated on the account, in the case where rates and services are levied on a monthly basis, the due date shall be the 7th of each month

“Dwelling” means a building, structure or place of shelter to live in or conduct business from;

"Electricity Charges" means service charges in respect of the provision of electricity;

“Financial Year” shall mean the period starting from 1 July in any year and ending on 30 June of the following year;

"Indigent Customer" means the head of an indigent household:-

(a) who applied for and has been declared indigent in terms of Council's Indigent Support Policy for the provision of services from the Municipality; and

(b) who makes application for indigent support in terms of Council's Indigent Support Policy on behalf of all members of his or her household;

"Indigent Support Policy" means the Indigent Support Policy adopted by the Council of the Municipality;

"Indigent Support Programme" means a structured program for the provision of indigent support subsidies to qualifying indigent customers in terms of the Council's Indigent Support Policy;

"Interest" means the charge levied on arrears, calculated as the prime rate, charged by the bank which holds the Municipality’s primary bank account, plus one percent or such other percentage as may be determined by Council from time to time;

“Municipal Tariff” shall mean a tariff for services which the Municipality may set for the provision of a service to the local community, and may include a surcharge on such service.

Tariffs for major services shall mean tariffs set for the supply and consumption or usage of electricity, water, sewerage and refuse removal, and minor tariffs shall mean al other tariffs,

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charges, fees, rentals or fines levied or imposed by the Municipality in respect of other services supplied including services incidental to the provision of the major services;

"Owner" in relation to immovable property means -

(a) the person in whom is vested the legal title thereto provided that:-
- the lessee of immovable property which is leased for a period of not less than thirty years, whether the lease is registered or not, shall be deemed to be the owner thereof;
- (ii) the occupier of immovable property occupied under a service servitude or right analogous thereto, shall be deemed to be the owner thereof;

(b) if the owner is dead or insolvent or has assigned his or her estate for the benefit of his creditors, has been placed under curator ship by order of court or is a company being wound up or under judicial management, the person in whom the administration of such property is vested as executor, administrator, trustee, assignee, curator, liquidator or judicial manager, as the case may be, shall be deemed to be the owner thereof;

“Person” means a natural and juristic person, including any department of state, statutory bodies or foreign embassies;

"Service Delivery Agreement" means an agreement between the Municipality and an institution or persons mentioned in section 76(b) of the Local Government: Municipal Systems Act 32 of 2000;

"Sundry Customer Accounts" means accounts raised for miscellaneous charges for services provided by the Municipality or charges that were raised against a person as a result of an action by a person, and were raised in terms of Council's policies, bylaws and decisions;

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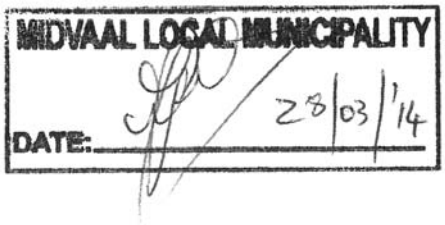
1. PURPOSE OF THIS DOCUMENT – INTRODUCTION

The purpose of this document is to outline the revenue management principles to be adhered to in the Midvaal Local Municipality.

1.1 Pre-amble

The Municipal Finance Management Act (MFMA), Act 56 of 2003, aims to modernise budget and financial management practices in municipalities in order to maximise the capacity of a municipality to deliver services to all residents, customers and users. It also gives effect to the principle of transparency as required by sections 215 and 216 of the Constitution.

The Council of the municipality, in adopting this policy on credit control and debt collection, recognises its constitutional obligations as set out in chapter 7 of the Constitution and chapter 9 of the Municipal Systems Act, Act No. 32 of 2000, to develop the local economy and to provide acceptable services to its residents. It simultaneously acknowledges that it cannot fulfil these constitutional obligations unless it exacts payment for the services which it provides and for the taxes which it legitimately levies in full from those residents who can afford to pay, and in accordance with its indigence relief measures for those who have registered as indigents in terms of the Council's approved indigence management policy.



1.2 Vision

The vision of this policy is:

- to ensure that all consumers pay for the services that are supplied and consumed according to the approved tariff structure of the Midvaal Local Municipality.
- to ensure that all consumer account related enquiries are attended to promptly and diligently.
- to attend to all the consumers' needs regarding credit control in such manner that it should not be necessary to have property or goods attached for a sale in execution unless under the most extreme circumstances.
- to ensure that municipal credit control officials are sufficiently trained and that they will be able to attend to all credit control related functions and enquiries.
- to ensure sufficient notification of outstanding debt to consumers in default.

- to ensure sufficient and effective interaction with defaulters and to allow for the conclusion of arrangements for the payment of arrears over agreed period of time.

1.3 Statement

The Midvaal Local Municipality believes that in order to promote social and economic development and to provided services to communities in an efficient and sustainable manner, a credit control and debt collection policy should be adopted to collect all money due and payable to the municipality. It is further recognised that credit can not be granted for a long term period other than what is resolved by the Council and delegated for execution by the relevant officials.

1.4 Aim

This policy claims to set down principals for the implementation and enforcement of credit control and collection of all collectable debt.

1.5 Objectives

The objectives of this policy are to provide for:

- credit control procedures and mechanisms.
- debt collection procedures and mechanisms.
- relief to indigent households that are consistent with the municipality's policy on indigent support and free basic services.
- the termination or restriction of services when payments are in arrear.
- procedures relating to unauthorised consumption of services, theft and damages.
- Realistic targets / benchmarks as set by the municipality which is consistent with:
 - general recognised accounting practices and collection ratios.
 - the estimate income set in the budget minus an acceptable provision for bad debts.

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2. LEGISLATIVE FRAMEWORK

The legal framework central to credit control and debt collection and the functioning of municipalities is contained in various pieces of legislation, some of which is briefly outlined in the section to follow.

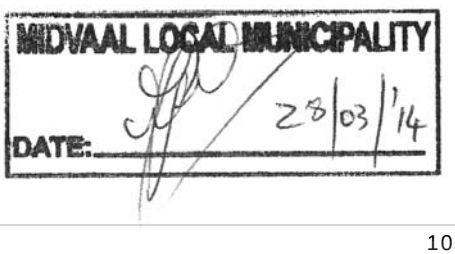
2.1 Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996)

The Constitution of the Republic of South Africa, 1996,(Act No. 108 of 1996), is the supreme law of the Republic, any law or conduct inconsistent with it is invalid, and the obligations imposed by it must be fulfilled. The right to sufficient water and appropriate assistance where one is unable to support them and their dependents is enshrined in the Constitution. In this instance the state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of these rights.

The objectives of local government are set out in Section 152 of the Constitution and include:

- providing a democratic and accountable government for local communities;
- provision of services to communities in a sustainable manner;
- promoting social and economic development;
- promoting a safe and healthy environment; and
- encouraging the involvement of communities and community organisations in the matters of local government.

Furthermore, a municipality must achieve these objectives within its financial and administrative capacity. It is therefore within the powers and functions of a municipality to impose rates on property and surcharges on fees for services provided by or on behalf of a municipality as it aims to achieve its objective of providing services to communities in a sustainable manner.



2.2 Electricity Regulation Act, 2006 (No. 4 of 2006)

The Electricity Regulation Act, 2006 (No. 4 of 2006) prohibits a municipality (licensee) from reducing or terminating the supply of electricity unless;

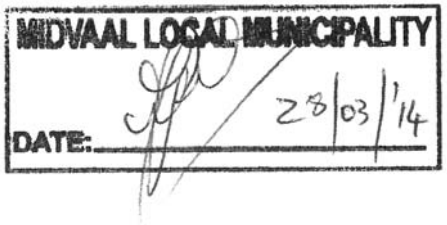
- the customer is insolvent,
- the customer has failed to honour, or refuses to enter into, an agreement for the supply of electricity; or
- the customer has contravened the payment conditions of that licensee.

As such, municipality must ensure that it enters into service agreements with its customers for the supply of services, including electricity, and that these agreements clearly spell out the service and payment conditions which the customer will be subject to.

Water Services Act, 1997 (Act No. 108 of 1997)

The main objective of this Act is to provide for the right of access to “basic water supply” and “basic sanitation” necessary to ensure sufficient water and an environment not harmful to health or well-being. The responsibility lies on the municipality as a water services authority to make reasonable measures to realize these rights.

Basic water supply refers to the prescribed minimum standard of water supply services necessary to support life and personal hygiene. A municipality cannot deny any person access to basic water services due to non-payment, where that person proves, to the satisfaction of the municipality, that they are unable to afford to pay for basic services. The implication for municipalities is that they cannot disconnect or discontinue services beyond the basic water supply as defined but may limit/restrict the flow of water to a property.



2.3 National Credit Act No. 34 of 2005

The National Credit Act, 2005 (No. 34 of 2005) was enacted to regulate the provision of consumer credit, its purpose being to protect consumers, regulate the conduct of credit providers, and discourage reckless lending.

The Act is in terms of municipal services such as the provision of water, electricity, sewage removal, assessment rates are excluded.

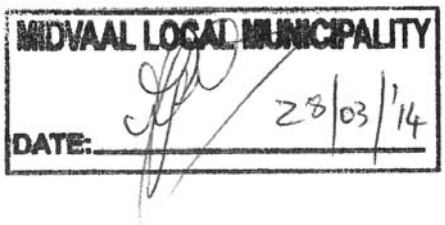
Section 4(1) of the National Credit Act provides that the Act applies to every credit agreement between parties dealing at arm's length where the parties to a credit agreement are a consumer and a credit provider. While the Act does not apply to instances where a municipality, as an organ of state, is the consumer, it does however apply to all credit arrangements where the organ of state is the credit provider. Section 4(6)(b) of the Act states the following concerning the supply of municipal services.

"If an agreement provides that a supplier of a utility or other continuous service:

(i) will defer payment by the consumer until the supplier has provided a periodic statement of account for that utility or other continuous service; and

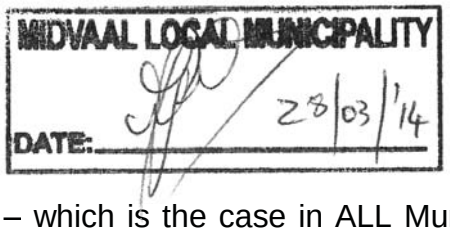
(ii) will not impose any charge ...in respect of any amount so deferred, unless the consumer fails to pay the full amount due within at least 30 days after the date on which the periodic statement is delivered to the consumer, that agreement is not a credit facility...any overdue amount in terms of that agreement is incidental credit to which the Act applies

As a result of the above, any agreement that does not comply with the requirements of Section 4(6)(b), shall be viewed as a credit facility and will have to comply with all the provisions of the Act. Under Section 4(6)(b) municipal agreements can be classified as incidental credit agreements, which only have to comply with Section 5 of the Act.



Nobumbas' Case Judgment set out the conditions that need to be met by municipalities so that the transactions may fall outside the NCA. Paragraph 40 of the judgment states that: *in order for the supplier (the municipality) to be exempted*

- Payment by the consumer must be deferred until the statements of account are rendered; and
- No interest is charged on the deferred payment unless the customer, having 30 days to pay, fails to pay.



The municipality must establish:

- Payment is deferred until an account is sent – which is the case in ALL Municipalities where the service is provided first and the customer pays later;
- The customer must be given 30 days to pay with NO interest being raised – Each Municipality must check its credit control systems – if interest is raised prior to 30 days for arrear accounts, then they will not be exempt.

Paragraph 51 of the judgment states:

- The NCA does not apply to proceeding to recover due but unpaid rates;
- The NCA does not apply to the municipalities claim for interest at the legal rate of interest.

Therefore in Nobumba's case, the Municipality fell short in that it could not establish that interest was raised 30 days after the service was provided. A credit facility is defined as an agreement where a credit provider undertakes "to supply goods and services…, as determined by the consumer from time to time". Municipal services are by their nature continuous and will therefore be considered credit facilities unless they do not impose penalties before the lapse of 30 days after the rendering of a statement and comply with Section 4(6)(b).

Where a municipality provides credit facilities, it shall be required to:

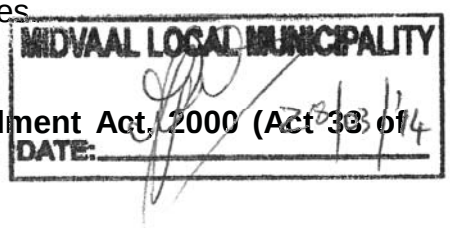
- register as a credit provider with the National Credit Regulator (NCR), submit required documentation and pay annual fees to the regulator;
- ensure that credit transactions are not unlawful and that they do not have clauses that are unlawful.

- indicate restrictive clauses in the contract and limitations on the cost of credit shall apply;
- be subject to restrictions pertaining to termination of agreements, enforcement and dispute resolutions.

Discount transactions and installment agreements where payment is deferred and interest or any other charges are payable, shall constitute the provision of credit facilities. The far reaching implication of the provisions of the Act for a municipality that supplies credit facilities is that any consumer adjudged to be over-indebted may be placed under debt review by a debt counsellor or a court during this period. This means that a municipality will not be able to take any legal action against such a person for any outstanding amount. It is for this reason that municipalities should ensure that they collect as much of the money due before a service contract becomes an incidental credit agreement and beyond. A consumer is over-indebted if on the basis of available information at the time he cannot or will not be able to satisfy in a timely manner his obligations in terms of all his credit agreements.

2.4 Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003)

The Municipal Finance Management Act (Act 56 of 2000) places responsibility on the Municipal Manager as the accounting officer to ensure that a municipality has and implements a Credit Control and Debt Collection policy. As an accounting officer, the Municipal Manager is also responsible for the management of the revenue of the municipality and is under obligation to take all reasonable steps to ensure that; the municipality has effective revenue collection systems consistent with Section 95 of the Municipal Systems Act and the municipality's Credit Control and Debt Collection policy. Further that the municipality charges interest on arrears, except where the council has granted exemptions in accordance with its budget-related policies.



2.5 Local Government: Municipal Structures Amendment Act, 2000 (Act 33 of 2000)

The Municipal Structures Act 117 of 1998 set out the powers and function of municipalities wherein District Municipalities where tasked with the supply of portable water, bulk electricity, sewerage and waste disposal. With the **Municipal Structures Amendment Act,**

2000 (Act No. 33 of 2000), these functions are now performed by both the District and Local Municipalities based on the locality of the municipality.

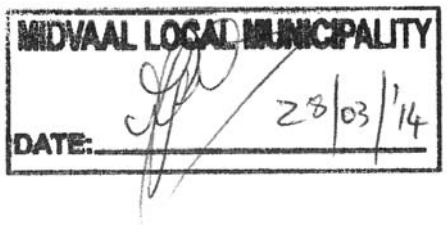
2.6 Local Government: Municipal Property Rates Act, 2004 (Act 6 of 2004)

The Act aims to regulate the powers of municipalities to impose rates on property. As required by the Act, the council of a municipality must adopt a rates policy and pass bylaws to enable the municipality to levy rates on all rate-able properties in its area as required.

The owner of a property is liable for the payment of a rate levied by a municipality on the property, subject to the municipality's Credit Control and Debt Collection policy. The municipality may recover any unpaid rates on the property from the tenant, occupier or agent of the owner after serving them with a written notice. This is irrespective of any contractual obligation that might exist with the owner and is limited to the rent or money due and payable.

2.7 Local Government: Municipal Systems Act (Act 32 of 2000)

The Act requires a municipality to collect all money due and payable to it, and in so doing a municipality must adopt, maintain and implement a credit control and debt collection policy. A municipality is empowered by the Act to levy and recover fees, charges or tariffs in respect of any function or service of the municipality; and to recover collection charges and interest on any outstanding amount subject to the provisions of the National Credit Act. The Act further outlines the contents required of a municipal credit control and debt collection policy.



2.8 Municipal Bylaws

Section 160 (4) of the Constitution provides that no bylaw may be passed by a Municipal Council unless all the members of the Council have been given reasonable notice; and the proposed bylaw has been published for public comment. Only once the bylaw has been published on the official gazette of the relevant province can it be enforceable.

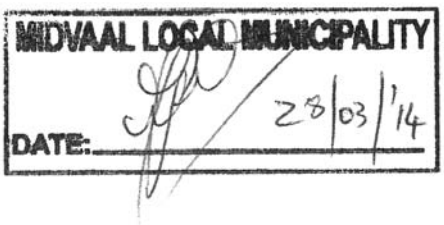
Further, Section 90 of the Municipal Systems Act requires municipalities to adopt credit control and debt collection bylaws in order to give effect to the policy and to give municipality legislative powers to enforce the policy. These bylaws may differentiate between categories of ratepayers, user of service, debtors, taxes, services, service standards and other matters, as long as the differentiation does not amount to unfair discrimination.

Chapter 9 of the Local Government Municipal Systems Act 32 of 2000 (sections 95 to 104) requires, with regard to credit control and debt collection, the following:

Section 95

A municipality must:

- establish a sound customer management system, which creates positive and reciprocal relationships.
- establish mechanisms to receive feedback on the quality of services provided.
- take steps to inform consumers of services of the costs involved, the reason for service fees and how the income is utilised.
- provide for the measurement of service consumptions through accurate and verifiable metering systems.
- ensure regular and accurate accounts that indicate the basis for calculating of amounts due.
- provide accessible mechanisms for consumers to query or verify accounts, and metered consumptions.
- provide for appeal procedures to allow the prompt redress of inaccurate accounts and to give prompt replies and corrective action.
- provide for mechanisms to measure and control the response time on queries.
- provide accessible pay points and other mechanisms to settle accounts or make



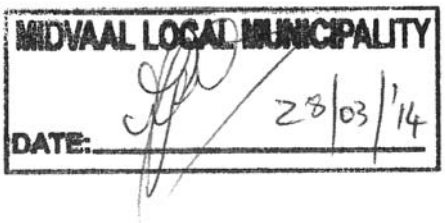
Section 96

To collect all money due and payable to the Council subject to all applicable legislation and to adopt a credit control and debt collection policy which is consistent with the Council's rates and tariffs policy and the requirements of Act 32 of 2000, chapter 9.

Section 97

The policy must provide for:

- Credit control as well as debt collection procedures and mechanisms.
- Provision for indigents consistent with the Rates and Tariff Policy and national policy on indigents.
- Realistic targets consistent with GRAP and collection ratios.
- Realistic estimate on real income in the budget as well as adequate and acceptable provision for bad debts.
- Interest on arrears where appropriate.
- Extensions of time for payment of accounts.
- Termination of services of the restriction of the provision of services when payments are in arrears.
- Measures to prevent unauthorized consumption of services, theft and damages and to address any procedures and guidelines as laid down by the Minister of Local Government in terms of section 104 of the Act.



Section 98

- The Council must adopt by-laws to give effect to the credit control and debt collection policy and to ensure its implementation and enforcement.
- This may differentiate between different categories of rate payers, users of services, debtors, taxes, services, service standards and other matters as long as the differentiation does not amount to unfair discrimination.

Section 99

The Executive Mayor as supervisory authority:

- must oversee and monitor the implementation and enforcement of the policy and all by-laws enacted in line with it, the performance of the Municipal Manager in implementing the policy and by-laws; and
- regularly evaluate and review the policy and by-laws to improve efficiency of the mechanisms, processes and procedures; and
- at such intervals as determined by the Council, give report at a meeting of the full Council.

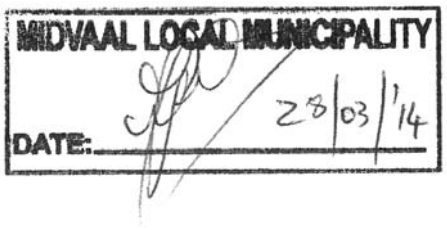
Section 100

The Municipal Manager:

- Must implement and enforce the policy and by-laws.
- Establish in accordance with the Policy and by-laws procedures to collect money that is due and payable to the Council.
- At such intervals as determined by the Council report prescribed particulars to a meeting of the Executive Mayor.

Section 101 – Access to the premise

The occupier of premises in the municipality must give an authorized representative of the Council, or a service provider of the Council, access at all reasonable hours to the premises in order to read, inspect, install or repair any meters or service connection for reticulation, or to disconnect, stop or restrict the provision of any service.



Section 102 – Consolidation of accounts

The Council may:

- Consolidate any separate accounts of persons liable for payment to the Council.
- Credit a payment by such person against any account of that person.

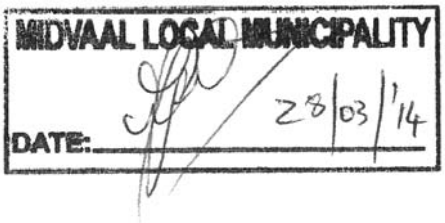
- Implement any of the debt collection and credit control measures in relation to any arrears on any of the accounts of such a person.

With the understanding that the above cannot be applied where there is an unresolved dispute between the Council and a debtor concerning any specific amount claimed from that debtor.

Section 103 – Deduction from the employees

The Council may:

- with the consent of a person liable for payment of rates, taxes, fees for services, or rental enter into an agreement with that person's employer to deduct from the salary or wages of that person any outstanding amounts due to the Council, or such regular monthly amounts as may be agreed; and
- Provide special incentives for employers to enter into such agreements and employees to consent to such agreements.



Section 104

This section deals with procedures and guidelines that the Minister of Local Government may lay down with regard to:

- Particulars that must be contained in the Municipal Manager's report as per section 100.
- to identify services provided by the Council or other service providers where the usage of the service can reasonably be determined, measured or estimated,
- The determination, measuring or estimate of the use of such services.
- User agreements, deposits and bank guarantees for the provision of municipal services.
- The rendering of accounts to ratepayers and consumers and the particulars to be contained in such accounts.
- the action that may be taken by the Council and service providers to secure payment of accounts that are in arrear, including:
 - The termination of municipal services and restriction of the provision of services.
 - The seizure of property.

 - The attachment of rent payable on property.
 - The extension of liability to a director, a trustee or a member if the debtor is a company, a trust or a close corporation.
- Appeals against the accuracy of accounts for municipal taxes or services.
- The manner in and time within which such appeals must be lodged and determined and the consequences of successful and unsuccessful appeals.
- Extension for the payment of arrears and interest payable in respect of such arrears.
- Service connections and disconnections and the resumption of discontinued services.
- The combating of unauthorized consumptions, connections and reconnections and theft of municipal services.
- The development and implementation of an indigent policy.
- The tampering with or theft of meters, service supply equipment and reticulation network and any other fraudulent activity in connection with the provision of municipal services.
- any other matter that may facilitate:
 - effective and efficient systems of credit control and debt collection by municipalities; or
 - the application of chapter 9 of the Systems Act, Act 32 of 2000.

In the issuing of guidelines or making of regulations the Minister is obliged to take account of the capacity of municipalities to comply with such matters and to differentiate between different kinds of municipalities according to their different capacities.

Section 118(1) of the Municipal Systems Act, Act 32 of 2000, prevents a Registrar of Deeds to register the transfer of any fixed property or interest in fixed property should there not be a valid clearance certificate issued by the municipality under whose jurisdiction such property is situated. A clearance certificate certifies that all amounts due in connection with that property for municipal service fees, surcharges on fees, property rates and other municipal taxes, levies and duties during the two years preceding the date of application for the certificate have been fully paid.

The remaining balance (i.e. balances older than two (2) years that were excluded from the calculation of clearance figures) will remain charges on the property and will be subjected to the normal credit control and debt collection processes of the municipality. The above means

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that the remaining balance will be transferred to the new owner of the property as allowed for in Section 118(3) of the above act.

Section 118(3) of the Municipal Systems Act, Act 32 of 2000, stipulates that an amount due for municipal service fees, surcharges on fees, property rates and other municipal taxes, levies and duties is a charge upon the property in connection with which the amount is owning and enjoys preference over any mortgage bond registered against the property.

Section 89 of the Insolvency Act, 1936, rules the prescription of debt unless confirmed by acceptable acknowledgement of debt. Property rates are a form of tax and therefore not subjected to prescription.

The Municipal Finance Management Act refers to the credit control and debt collection policy as one of the "budget-related policies" which must be revised annually with the tabling of the budget by the Executive Mayor before end March.

Section 64(2)(a) of the Municipal Finance Management Act, is in line with Section 95 of the Municipal Systems Act which makes provision for the execution of credit control measures by the Municipal Manager as accounting officer and acknowledges by sub-section 64(2)(e)(i) the accounting principle of "matching" by ruling that revenue be recognised when it is earned and not when it is received.

2.2 Schedule 2 of Municipal Systems Act, No. 32 of 2000

Staff Accounts:

Staff arrears will be dealt with in accordance with Schedule 2 of the Systems Act, and in terms of any procedures, method or action referred to in this Policy. Notwithstanding any other procedure, method or action that may be taken in terms of this Policy, the municipality will deduct any outstanding amount from such staff members' salary.

The municipality may use the employee's bonus to pay the outstanding amount on municipal services.

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2.3 Schedule 12 A of the Municipal System Act ,No 32 of 2000

Councillor accounts:

In accordance with Schedule 1, item 12A of the Systems Act, a Councillor of the Municipality may not be more than 3 (three) months in arrears for municipal service fees, surcharges on fees, property rates or any other municipal taxes, levies and duties levied by the municipality. Notwithstanding any other procedure, method or action that may be taken in terms of this Policy, the municipality will deduct any outstanding amount from such councillors' salary.

The purpose of these Credit Control / Debt Collection by-laws is to set guidelines or procedures for the collection of money that is due to the municipality.

Credit control measures for services

The municipality provides a consolidated accounts to consumers. Therefore credit control measures can be informed on both conventional and pre-paid meters.

Current accounts and arrear accounts:

- Interest will be charged on the outstanding amount according to the prime interest rate as charged by the banks
- The supply of electricity of the defaulter shall be disconnected and / or the water supply shall be restricted/disconnected
- The defaulter can enter into an arrangement with the municipality to pay the arrears and services will be restored, but before an arrangement can be agreed to, the defaulter must at least pay half or part of the balance
- The maximum period for the payment of arrears shall not exceed a period of 36 months.
- Debtors who enter into payment arrangements with the Municipality will sign an acknowledgement of debt
- Only debtors with positive proof of identity or an authorised agent with a power of attorney will be allowed to complete an acknowledgement of debt.

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- Where a debtor complies with arrangements entered into with the Municipality, interest charges will still be levied on the account.

- If the debtor pays the account in full, no further action will be necessary against the debtor and the debtor's services will be restored

Credit control measures for assessment rates and taxes

When an account has not been paid by the due date the following procedures apply:

- The data per each debtor is captured per ward and a final notice is sent out via the post.

- The amount due must be paid within the number of days as specified on the notice.

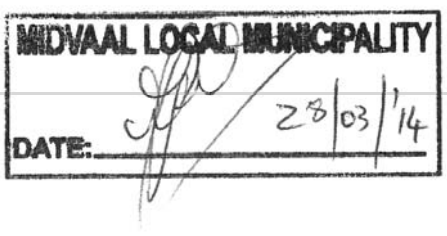
- If a debtor cannot make a full payment, they can make an arrangement to pay. All arrangements must be recorded on the system, but the defaulter needs to pay part of the balance before an arrangement can be agreed upon

- A debt rescheduling arrangement requires the payment of the current account plus an acceptable amount towards the arrears each month. An arrangement may, subject to all conditions in terms of the policy being adhered to, be entered into to suspend the debt collection process/legal action for a period not exceeding 12 months where possible.

- Where the debtor enters into arrangements with the municipality and defaults on the payments, the account shall be handed over to the lawyers for collection without further notice. The debtors account shall be debited with all collection costs, legal costs, interest and all other costs associated with the collection of the arrears.

- The Ward/PR Councillor will be informed of defaulting debtors following the issuing of the statutory notice/judgement order for the occupant.

- If no payment or arrangement is made within the period specified on the notice, the same data is captured and transferred to a handover account. The arrears will then reflect on this account and the normal monthly accounts will reflect in the current account.



- All arrears are handed over to lawyers and summons will then be issued from the lawyers' offices.

- The lawyers will then pass judgement against the debtor, after which they will send notice of attachment of the debtors' property.

- The lawyers will proceed with sale and execution if feedback is not received from the debtor. In doing so the lawyer will notify the ward councillor of the action taken.

- The debtor is responsible for all legal costs and will have to pay such costs before any legal action may be stopped. An acceptable and enforceable debt rescheduling agreement must also be entered into with Council's Attorneys before any legal action may be stopped.

Power of entry and inspection

- A duly authorised representative of the Council may for any purpose relating to the implementation or enforcement of this by-law, at all reasonable times or in an emergency at any time, enter premises, request information and carry out any inspection as they may deem necessary for purposes of installing or repairing any meter or service connection for reticulation, or to disconnect, stop or restrict the provision of any service.

- If the Municipality considers it necessary that work be performed to enable an officer to perform a function referred to above, properly and effectively, it may by written notice require the owner or occupier of the premises to do specified work within a specified period at their own expense.

- If the work referred to above is carried out for the sole purpose of establishing whether a contravention of this by-law has been committed and no contravention has taken place, the Municipality will bear the expenses incurred together with that of restoring of the premises to their former condition.

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Unauthorised consumption of services, theft and damages

- Communities, ratepayers and residents have to refrain from tampering with Municipal services and property

- Council will investigate and will lay criminal charges where appropriate when it suspects illegal connections, unauthorized consumption or use of services, theft, or damage to equipment or property of the Council.

- Where damages are suffered, or losses incurred by Council because of consumption or use of a service without prior authorization or because of theft, damage to equipment or property of the Council, or because of illegal reconnection of disconnected services, the person responsible shall have their services disconnected as well as an additional amount will be levied on their account to recover losses for at least 6 months. The amount that will be levied will be not less than 1000 kw per electricity phase and 30 kl per water meter. An additional administration fee of R1 800(VAT excl.) will be levied on the account. The balance on the account should be paid before reconnection of services.

 If an arrangement must be made on the account, 50% must be paid and the balance 3 months or the case will be handed over to the Lawyers for collection.

Arrears of employees of the council

- If an employee of the Council is in arrears with his/her rates and taxes, and or service charges account to the Council, he/she will be dealt with according to this by-law. They may also enter into arrangements with the Council to pay their arrears in terms of this by-law.

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Arrears of Councilors

- No Councillor must be in arrears with his/her rates and taxes and or services charges account to the Council.

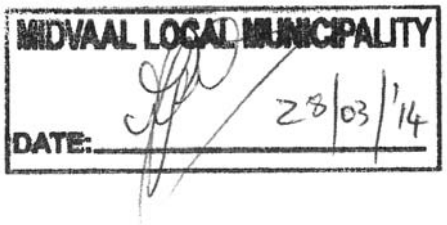
Appeals

- Any customer may appeal to the Council against the accuracy of an amount reflected in a particular account within one month after receiving the account

- Appeals are made by way of written representation or telephonically to the Council

- In the event of a customer alleging that any meter, measuring device or service connection is defective or inaccurate, the Council may arrange for the meter, measuring device or service connection to be inspected and tested. Should the meter, measuring device or service connection prove not to be defective or inaccurate by more than 5%, the costs of carrying out the inspection and test are paid by the customer who requested the inspection and test.

- Out of court settlement offers by debtors against whom legal action is pending can be considered after consultation with Councils legal representatives, if it is in the best financial interest of the Council.



3. APPLICATION FOR THE PROVISION OF THE MUNICIPAL SERVICES

3.1 NO new applications will be allowed on a tenant's name.

3.2 The Municipality will not entertain an application for the provision of municipal services by a tenant of a property, or any other person who is not the owner of the property. The only exception will be:-

3.3 Individuals and Businesses with lease agreements to lease properties from the Municipality;

3.4 Government Departments;

3.5 Body Corporates who take the responsibility for the payment of basic water, basic sewer and refuse removal services on behalf of the individual sectional title owners;

3.6 The agreement with the Municipality makes provision for the following:-

3.6.1 An undertaking by the owner that he or she will be liable for collection costs including administration fees, interest, disconnection and reconnection costs, and any other legal costs occasioned by his or her failure to settle accounts by the due date on an attorney / client basis;

3.6.2 An acknowledgement by the owner that accounts will become due and payable by the due date notwithstanding the fact that the owner did not receive the account;

3.6.3 That the onus will be on the owner to ensure that she is in possession of an account before the due date.

3.7 All services will be levied on the owners account once a property is transferred into a new owners name and a deposit will be levied on the owners account based on the deposit detailed in the tariff policy, provided the new owner request the municipality in writing to remove the services at the owners cost.

3.8 All new applications for the provision of a service will be subject to the payment of a deposit based on the deposit detailed in the tariff policy.

3.9 The Municipality shall not conduct any business activity with or provide any services to any persons who are in arrears with municipal accounts except as provided for in this policy and as determined by the Municipality from time to time, nor will any

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refunds of credits be made to any debtor who is in arrears with their municipal account. The credit amount will be utilized against any other arrears account.

3.10 Current existing tenant accounts:

- If the tenant account is in arrears, after the final account has been issued, the outstanding amount will be transferred to the owners account.
- Duplicate tenant statement can be issued on request by the owner
- A letter will be issued to the owner notifying the owner of the outstanding debt of the tenant.

4. DEPOSITS AND GUARANTEES

4.1 Every customer must on the application for the provision of the municipal services pay the deposit to the municipality prior to the provision of any municipal services

4.2 The deposit must be paid in cash or by bank guarantee

4.3 No arrangement shall be entered into for the payment of the deposit.

4.4 The deposits shall be reviewed and increased annually with other the review of the tariffs.

4.5 Depending on the circumstances the CFO may increase the deposit for customers who are in the disconnection list for the municipal services

5. TERMINATION OF SERVICES

5.1 If the property is registered to the new owner, the meter will be transferred to the new owner and;

5.2 It remains the responsibility of the consumer to notify the municipality when municipal services are no longer required.

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5.3 Failure to comply with the provision of paragraph 5.2 above renders the consumer liable for all service charges on the property regardless of whether the services have been applied for.

5.4 Once the property has been registered under the new owner, any remaining balance of the property remains with the property irrespective of the owner and the normal credit control and debt processes will apply.

6. ACCOUNTS AND PAYMENTS

6.1 All accounts rendered by Midvaal Local Municipality shall be payable on the 7th of each month regardless of the day of the month.

6.2 Accounts balances which remain unpaid after 30 days from the due date shall attract interest on arrears irrespective of the reason for non-payment.

6.3 All accounts are payable as above regardless of the fact that the customer has not received the account; the onus being on the customer to obtain a copy or the balance of the account before the due date.

6.4 No extension of payment will be allowed when dishonoured cheque payment are received.

6.5 All costs associated with dishonoured cheques will be for the account of the customer.

6.6 Should cheques be returned by the bank electricity supply will be terminated immediately irrespectively whether the supply is by conventional or prepaid meters.

6.7 Payments received in respect of rates and service charges will be allocated by the CFO of Midvaal Local Municipality entirely within her or his discretion, on the account of the customer.

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7. DISPUTES

7.1 In this policy "dispute" refers to the instance when a debtor questions the correctness of any account rendered by the Municipality with the Municipal Manager as per the process in sub-item (2) below.

7.2 In order for a dispute to be registered with the municipality, the following procedures must be followed:

- By the debtor

(a) The dispute must be submitted in writing

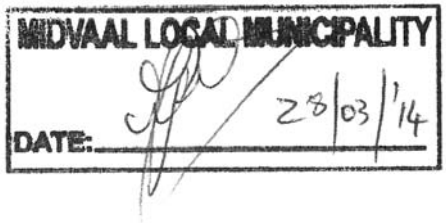
(b) No dispute will be registered verbally whether in person or over the telephone.

(c) The debtor must furnish full personal particulars including ALL account numbers held with the Municipality, direct contact telephone number, fax-number, postal and e-mail addresses and any other relevant particulars required by the municipality.

(d) The full nature of the dispute must be described in the correspondence referred to above.

(e) The onus will be on the debtor to ensure that he receives a written acknowledgement of the dispute.

(f) The debtor will be liable for the amount due except for the dispute amount on or before due date for the account rendered.



- By the Municipality:

(a) On receipt of the dispute the following actions are to be taken:

- A written acknowledgement of the receipt of the dispute must be provided to the debtor.

- The amount payable by the debtor for the specific month of the dispute and inform the debtor that all accounts thereafter must be paid in full.

- Specify the time to resolve the dispute- disputes must be solved within 3 (three) months

- The dispute must be registered in a dispute register

- Inform the Debtors Department and the Debt Collection Department of the dispute

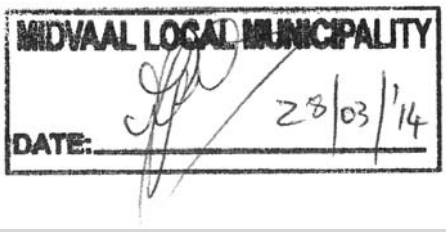
- Ensure that all relevant information received is rectified accordingly on the finance system

- Conduct checks or follow-ups on all disputes as unresolved

7.3 The following provisions apply to the consideration of disputes:

(a) All disputes must be concluded by the Municipal Manager or delegated official
(b) The Municipal Manager's or the delegated official's decision is final and will result in the immediate implementation of any debt collection and credit control measures provided for in this Policy after the debtor is provided with the outcome of the appeal.
(c) The same debt will not again be defined as a dispute in terms of this paragraph and will not be reconsidered as the subject of a dispute.
(d) Should the debtor not be satisfied with the outcome of the dispute, a debtor may lodge an appeal in terms of section 62 of the Systems Act.

7.4 The Municipality reserves the right to declare a dispute on any account as may be deemed necessary.



8. IRRECOVERABLE DEBT

Criteria for irrecoverable debt

Debt will only be considered as irrecoverable if it complies with the following criteria:

8.1 The cost to recover the debt does not warrant further action: or

8.2 A deceased estate has no liquid assets to cover the outstanding amount following the final distribution of the estate; or

8.3 It has been proven that the debt has prescribed; or

8.4 Any amount equal to or less than R1 000.00 (one thousand) will be considered too small, after having followed basic checks, to warrant further endeavours to collect it; or

8.5 The outstanding amount is due to an irrecoverable administrative error by the municipality; or

8.6 A court has ruled that the claim is not recoverable

8.7 All debtors who are registered as indigent

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9. AUTHORISATION

9.1 As rates are deemed to be recoverable in all instances, all requests to write-off debt in respect of rates must be presented as individual items to the Council to authorise such debt to be written off, exclude indigent approvals.

9.2 In respect of other debt, schedule indicating the debtor account number, the debtor's name, amount per account category as well as a reason to write-off the amount must be complied.

9.3 Notwithstanding the above, Council will be under no obligation to write-off any particular debt and will always retain sole discretion to do so.

10. RATES AND TAXES

10.1 When an account has not been paid after 60 days the following procedures apply:

10.1.1 The data per each debtor is extracted per ward and a final notice is sent out via the post.

10.1.2 The amount due must be paid within 21 days.

10.1.3 If a debtor cannot make a payment, they can make an arrangement to pay. All arrangements must be recorded on the system.

10.1.4 A debt rescheduling arrangement requires an initial payment of 50% of the outstanding account, where after the current account plus an acceptable but affordable amount towards the arrears each month. An arrangement may, subject to all conditions in terms of the policy being adhered to, be entered into to suspend the debt collection process/legal action.

10.1.5 The Ward Councillor will be informed of defaulting debtors following the issuing of the statutory notice/judgement order for the occupant.

10.1.6 If no payment or arrangement is made within 21 days, the same data is captured and transferred to a handover account. The arrears will then reflect on this account and the normal monthly accounts will reflect in the current account.

10.1.7 All arrears are handed over to lawyers and summonses will then be issued from the lawyers' offices.

10.1.8 The lawyers will proceed with judgement and then sale in execution if timeous feedback is not received from the debtor. In doing so Council will notify the ward councillor of the action taken.

10.1.9 The debtor is responsible for all legal costs and will have to pay such costs before any legal action may be stopped. An acceptable and enforceable debt rescheduling agreement must also be entered with Council's Attorneys before any legal action may be stopped.

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11. WATER AND ELECTRICITY

11.1 Final notices are hand-delivered at the gate of the default debtor by a private firm, and the notices state that payment must be received within 7 days. The cost of the notices will be for the debtors account if the payment was not received on or before due date.

11.2 If the amount on the notice is not paid within the specified 7 days, the electricity will be disconnected and the water flow will be reduced, or disconnected in certain cases.

11.3 If the amount is not paid on or before due-date, the electricity will be disconnected and the water flow will be reduced, or disconnected in certain cases. The cost of the disconnection of services will be for the debtors account.

11.4 When disconnections of electricity and/or water takes place due to non-payment, the consumer's deposit will be adjusted if necessary.

11.5 The cost for the services rendered will be payable once the debtors name appears on the contractors list for disconnection of services.

11.6 In the case of a pre-paid meter (water/electricity) the vending of selling water/electricity will be restricted or disconnected.

11.7 Consumption of registered indigents will be suspended/restricted to indigents who fail to pay for services consumed over and above the subsidised amount.

11.8 Once a service has been terminated and the payment made was received after 12:00 the day of termination the services will only be re-installed the following day.

12. Other debt (Sundry Debt)

12.1 In the recovery of sundry debt, Council reserves the right to utilise any legal action at its disposal.

12.2 Restriction, disconnection and the termination of services may be utilised to obtain overdue payment.

12.3 Any Sundry customer account may be included in the monthly consolidated account produced by the municipality in terms of section 102 of Municipal Systems Act.

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13. ARRANGEMENTS TO PAY ARREARS ACCOUNTS

13.1 Debtors prepared to enter into arrears repayment arrangements must at least pay half of the arrears or as determined by the Chief Financial Officer and enter into an arrangement to pay the balance as follows:

13.1.1 Arrangements to pay arrears amounts are to be made in terms of the following guidelines. For any arrangement that falls outside of the guidelines, the approval of the Head of Revenue must be sought. The affixing of the signature of the Head of Revenue to the arrangement contract must evidence such approval.

13.1.2 Debtors entering into arrangements must in addition, pay the current accounts due or they will be considered to be in default of the arrangement.

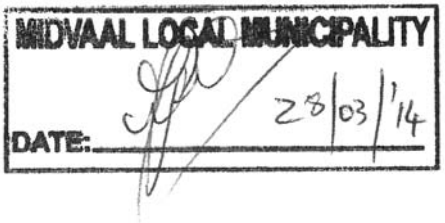
Amount outstanding	**Initial payment**	**Maximum payment period**
Less than R2 000 OR less than six months	½ of outstanding balance	3 months
More than R2 000 and less than R5 000 OR greater than six months but less than 12 months	½ of outstanding balance	6 months
Greater than R5 000 OR greater than 12 months	½ of outstanding balance	12 months but may differ with particularly large and old amounts, e.g. 3 years. The CFO and senior management may use discretion to decide on such accounts.

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13.2 Once final notices for disconnection of services have been issued, no arrangements will be allowed

13.3 Merit cases will be allowed, where special circumstances prevail, and must be treated individually and could amongst others include the following categories:

- Unemployed persons.
- Deceased estates.
- Liquidated companies or CC's.
- Private persons under administration.
- Outstanding enquiries on accounts, for example, misallocated payments, water leaks, journals, incorrect levies, etc.
- Pensioners.
- Any other cases not mentioned which can be regarded as merit cases due to circumstances.



13.4 Extension for payment of arrears in respect of merit cases should not exceed 5 years in the case of property owners

13.5 No extensions will be given to tenants without a certified letter and ID. from the owner.

13.6 No arrangement can be made on behalf of a 3rd party without the necessary permission –
A letter from an attorney
A letter of the registered owner.

13.7 Written confirmation of all arrangements will be obtained. Such confirmation will be on the standard form designed for this purpose and will list:

- The debtors details;
- The initial payment;
- The monthly amount to be paid and the length of the arrangement;
- Action to be taken if the debtor defaults against the arrangement;

- Arrangements to pay must be entered onto the debtors system to prevent further expense being incurred in additional, unnecessary follow-up action.

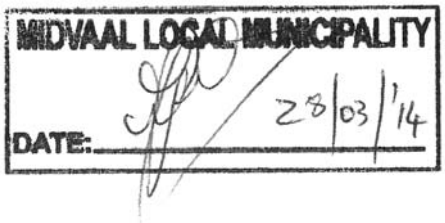
13.8 Unauthorised consumption of services, theft and damages

13.8.1 Communities, ratepayers and residents have to refrain from tampering with Municipal services and property.

13.8.2 Council will investigate and will lay criminal charges where appropriate when it suspects illegal connections, unauthorised consumption or use of services, theft, or damage to equipment or property of the Council.

13.8.3 Where damages are suffered, or losses incurred by Council because of consumption or use of a service without prior authorisation or because of theft, damage to equipment or property of the Council, or because of illegal reconnection of disconnected services, the person responsible shall have their services is connected as well as an additional amount will be levied on their account to recover losses for at least 6 months. The amount that will be levied will be not less than 1000 kw per electricity phase and 30 kl per water meter. An additional administration fee of R1 800 (VAT excl.) will be levied on the account. The balance on the account should be paid before reconnection of services.

13.8.4 If an arrangement must be made on the account, 50% must be paid and the balance 3 months or the case will be handed over to the Lawyers for collection.



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CASH MANAGEMENT POLICY

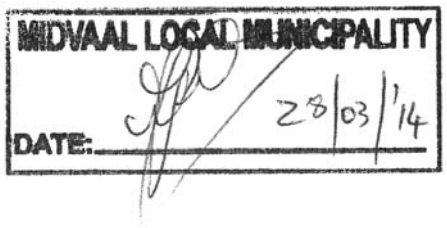
1. Introduction

Availability of cash is one of the key requirements for financial sustainability for any organisation. Accumulated surplus is not an indicator of available cash and should not be seen as having a direct correlation with surplus cash.

One of the first and most important issues that must be borne in mind is that financial statements of municipalities are compiled on the accrual basis (GRAP/GAAP accounting standards used as basis of compilation) and not on the cash basis as Provincial and National Government. In the past the accrual basis was used, but fund accounting was applied and not GRAP. This change in accounting basis led to the accumulation of larger than expected accounting surpluses with little or no relation to cash reserves.

Cash Management will include all amounts disclosed on the financial statements on the following line items:

- Investments (Long Term and Short Term)
- Cash and Cash Equivalents



2. Determination of minimum cash levels to retain: Part 1: Encumbered Cash

2.1 Unspent Conditional Grants

Any grants received from the National or Provincial Government that have not been spent by the reporting date should be set aside in cash and not utilised for purposes other than the intended purpose as per the conditions of the grant.

2.2 Developers Contributions

Any amounts received as development contributions that have not been spent by the reporting date should be set aside in cash and not utilised for purposes other than

capital infrastructure improvements. There is no requirement to spend the contributions received on the development where the contributions originated from but must be utilised for the creation of additional infrastructure capacity.

2.3 Capital Replacement Reserve

Funds set aside for the Capital Replacement Reserve must be held in cash and only utilised for the acquisition of capital assets in accordance with the approved capital budget of Council.

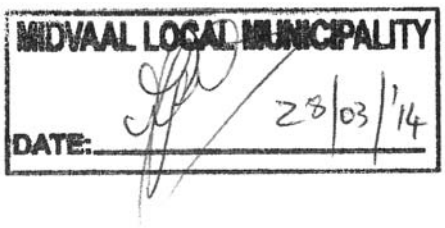
2.4 Unspent Loan Funding

Any borrowed funds that have not been spent by the reporting date should be set aside in cash and not utilised for purposes other than the intended purpose as per the loan agreements.

2.5 Deposits held

Consumer deposits are amount paid by customers, to be withheld by the municipality from the opening of an account till termination. The deposits will be refunded on termination provided the customer does not owe the municipality on municipal accounts.

Consumer deposits must be cash-backed.



2.6 Retentions held

Retention in contracts are amounts be held as a set off in the event the contractor does honouring the contract in regards to defects. Normally retention is held for the cost of rectification of defects during the construction period and for the cost of rectification of defects during the defects liability period, usually 12 months after the date of practical completion.

The retentions held are thus not available for purposes other than releasing the funds to the contractor at the end of the defects period and should be held in cash and not utilised for other purposes. This is included in the creditors part of the Working Capital Cash Provision.

3. Determination of minimum cash levels to retain: Part 2: Balance Sheet Provisions and Reserves

The Accounting Policy of the Midvaal Local Municipality contains the following sections relating to provisions:

A provision is recognised when the economic entity has a present obligation (legal or constructive) as a result of a past event and it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The economic entity does not recognise a contingent liability or contingent asset. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

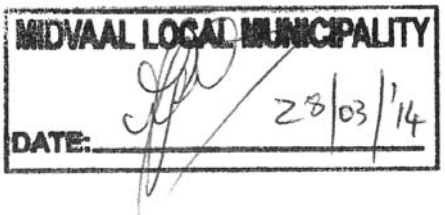
Provisions are reviewed annually and those estimated to be settled within the next twelve months are treated as current liabilities. All other provisions are treated as long term liabilities.

The Midvaal Local Municipality has the following provisions (accruals) that must be cash backed:

3.1 Leave Accrual

Liabilities for annual leave are recognised as they accrue to employees. The liability is based on the total accrued leave days at year end.

The leave accrual is cash backed.



3.2 Landfill Rehabilitation Provision

The Landfill Rehabilitation Provision is created for the rehabilitation of the current operational sites at the future estimated time of closure.

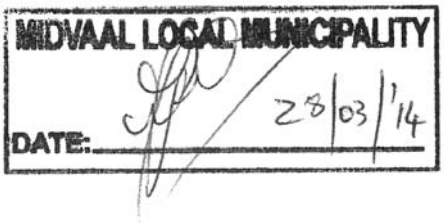
The value of the Provision is based on the expected future cost to rehabilitate the various sites discounted back to the balance sheet date at the cost of capital. The municipality has an obligation to rehabilitate these landfill sites.

The Landfill Rehabilitation Provision must be cash backed at 75%.

3.3 Provision for post retirement benefits

A policy has been adopted by Council on the provision of post retirement medical benefits to qualifying members. Actuarial valuations are conducted on an annual basis by independent actuaries and this is raised as a provision.

The provision is cash backed.



3.3 Provision for long service awards

The municipality offers various types of long service awards to its employees. The provision is to recognise the present value of the obligation as at the reporting date.

The provision is cash backed.

4. Determination of minimum cash levels to retain: Part 3: Working Capital

Working capital is a financial metric which represents operating liquidity available to a business, organization, or other entity, including governmental entity. Along with fixed assets such as plant and equipment, working capital is considered a part of operating capital. Net working capital is calculated as current assets minus current

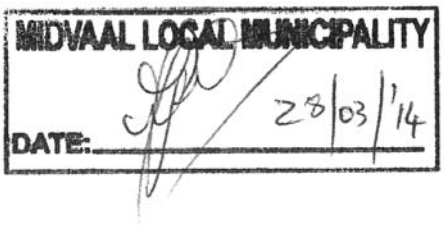
liabilities. If current assets are less than current liabilities, an entity has a working capital deficiency, also called a working capital deficit.
In line with National Treasury recommendations, the difference between current creditors and current debtors must be retained in cash as working capital for purposes of cash management.

5. Determination of minimum cash levels to retain: Part 4: Liquidity Ratios

5.1 Liquidity ratio (also called current ratio)

This ratio expresses the current assets (debtors after provision has been made for non-payment, inventory, investments maturing in 4 – 12 months and cash and cash equivalents) as a ratio or percentage of current liabilities (creditors, unspent grant funding, amounts to be paid on long term loans within the next 12 months and short term provisions). This ratio should also be at least 1:1 but ideally greater than 1.2:1. The logic for this ratio is that an entity should be able to turn the current assets into cash within a 12 month period if required so that all of the liabilities due within the 12 months can be settled.

The ratio should always be a minimum of 1:1



5.2 Cost Coverage

A measure of a company's ability to meet its financial obligations. In broad terms, the higher the coverage ratio, the better the ability of the enterprise to fulfil its obligations to its lenders.

The ratio should always be a minimum of 1 month, in other words, the available cash should be enough to cover the municipality's cash expenditure for one month.

5.4 Number of day's cash

This indicator looks at, if no further income is received, for how long an entity will be able to sustain itself based on the current expenditure trends. This calculation is

done using the approved budget as basis (eliminating all non-cash expenditure items) for a 365 day year. This ratio is similar to the cost coverage ratio, but it is stated in days and not months.

This ratio should always be a minimum of 30 days.

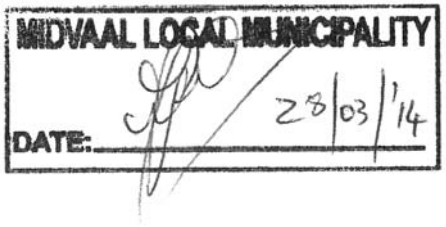
These liquidity indicators are should not be seen in isolation as a myriad of factors can impact on the ratios (which are stated at a specific date). There may be only 10 days of cash available on one day, whilst the next day grants may be transferred changing the days cash to 60. The opposite is also true – cash holdings can be reduced from the 60 days to 10 days within a day when interest and redemption payments are made or the monthly Eskom bill is settled.

Further factors that must be taken into account are:

- Long term borrowings and/or creditors: A municipality may have large cash balances whilst having long term borrowings and creditors. When comparing this with a municipality with lower cash balances, but also relatively lower borrowings and lower creditors, it may very well be found that the one with the lower cash balance is in a better financial position.
- Debtors: An entity may have a low cash balance, but a fairly significant debtors balance (which is collectable) which will change the cash position as soon as payment is received from the debtors.

These and other factors make it necessary to not only look at a specific (or even a range of) ratio at a specific date, but to monitor the trends over a period of time. Excluding exceptions or specific interventions, the cash balance must increase on an ongoing basis with at least the ruling inflation rate to ensure the financial position is sustained in real terms.

6. Implementation



The policy will be effective as from 1 July 2014.

MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/'14

MIDVAAL
LOCAL MUNICIPALITY

INVESTMENT POLICY

INVESTMENT POLICY

1. Application and Scope

The Investment Policy is applicable to the Midvaal Local Municipality.

2. Objective of Policy

The objective of the policy is to ensure that all investments made by the Midvaal Local Municipality ("MLM") comply with the Investment Regulations issued by National Treasury in terms of the Municipal Finance Management Act. This Policy, as far as practically applicable, must be consistent with the Supply Chain Management Policy.

3. Legislative Framework

The legislative framework governing investment decisions are:

- Local Government Municipal Systems Act 32 of 2000 (as amended)
- Municipal Finance Management Act 56 of 2003
- Municipal Investment Regulations published under Government Gazette 27431 on 1 April 2005.
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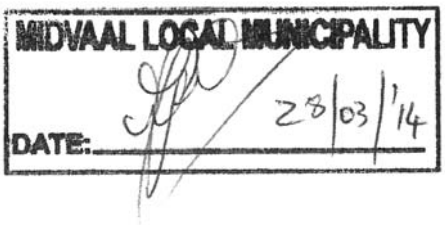
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The following are permitted investments in terms of the Government Gazette No. 27431:

"A municipality may invest funds only in any of the following:

Investment types as may be appropriate to the anticipated future need for the funds:

(a) Securities issued by the national government.
(b) Listed corporate bonds with an investment grade rating from a nationally or internationally recognised Credit Rating Agency.
(c) Deposits with banks registered in terms of the Banks Act, 1990 (Act No. 94 of 1990)



(d) Deposits with the Public Investment Commissioners as contemplated by the Public Investment Commissioners Act, 1984 (Act No. 45 of 1984)

(e) Deposits with the Corporation for Public Deposits as contemplated by the Corporation for Public Deposits Act, 1984 (Act No. 46 of 1984).

(f) Banker's acceptance certificates or negotiable certificates of deposit of banks registered in terms of the Banks Act, 1990

(g) Guaranteed endowment policies with the intention of establishing a sinking fund Finance

(h) Repurchase agreements with banks registered in terms of the Banks Act, 1990

(i) Municipal bonds issued by a municipality; and

(j) Any other investment type as the Minister may identify by regulation in terms of section 168 of the Act, in consultation with the Financial Services Board."

3.2 Investments denominated in foreign currencies

MLM may make an investment only if the investment is denominated in Rand and is not indexed to, or affected by, fluctuations in the value of the Rand against any foreign currency.

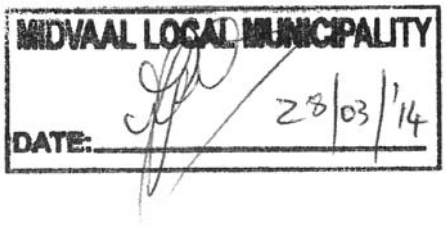
4. Definitions

Short-term investments are defined as:

"Any cash or liquid securities owned by the MLM which have a maturity date, and/or callable date reasonably expected to be exercised, that is equal to or less than one year."

Long-term investments are defined as**:**

"Any cash or liquid securities owned by MLM which have a maturity date, and/or callable date reasonably expected to be exercised, that is greater than one year."



5. Purpose and Objectives of Investments

5.1 Preservation and safety of investments

The probable safety of the investment must in the first instance be considered when making investments. Preservation of capital is accomplished through placement of funds with creditworthy institutions and through portfolio diversification.

5.2 Investment Diversification

Diversification is required to minimise potential losses on individual securities and to maximise the yield from a blend of financial products.

5.3 Liquidity

The investment portfolio shall remain sufficiently liquid to meet all reasonably anticipated operating requirements.

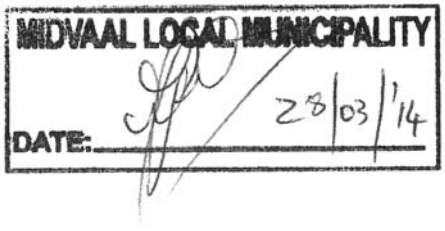
5.4 Return on investments

The investment portfolio shall be designed with the objective of attaining a maximum rate of return subject to the investment risk constraints and liquidity requirements of MLM.

6. Standards of Care

6.1 Prudence

The Municipal Manager, in accordance with this policy, must exercise due diligence in carrying out the investment function. The MLM has a responsibility to invest public Finance funds with great care and is accountable to the community in this regard. Investments must be made with such judgement and care, under the prevailing circumstances, as a person of prudence, discretion and intelligence would exercise in the management of that person's own affairs. Investments may not be for speculation but must be genuine investments.



6.2 Ethics and Conflicts of Interest

Officials responsible for the investment of funds must steer clear of outside interference, regardless of whether such interference comes from individual Councillors, agents or any other institution. The ethical standards as contained in the Municipal Supply Chain Management Policy are **"mutatis mutandis"** applicable to investment activities. Interest rates offered should never be divulged to another institution.

6.3 Payment of Commission

No commission or other award may be paid to an official or councillor of MLM or to a spouse or close family in respect of any investment made or referred by MLM. If an investee pays any commission or other reward to an external investment manager appointed by the MLM in respect of any investment made by MLM, both the investee and the investment manager must declare such payment to the council by way of a certificate disclosing full details of the payment.

7. Delegation of Authority

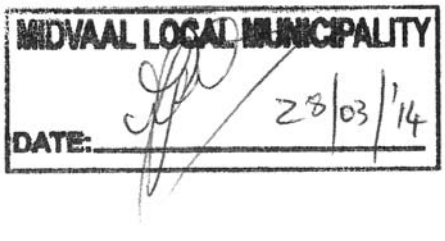
Authority to manage MLM's investment portfolio is delegated as follows:

The Municipal manager to invest any amount (after taking due cognisance of the liquidity requirements of MLM) of the short-term funds in terms of the provisions of the investment policy

The Bid Adjudication Committee or Municipal Manager to approve the investment of long-term funds in terms of the provisions of the Investment Policy and Municipal Supply Chain Management Regulations in accordance with the process as stipulated in the Supply Chain Management Policy.

8. Rating of Financial Institutions

MLM shall rely on the credit analysis of the financial institutions as obtained from external Credit Rating Agencies. The Municipal Manager shall be made aware of real or potential problems related to credit or credit rating issues and their impact on the investment portfolio by the recognised Credit Rating Agencies, as this information becomes available.



9. Authorised Investments

All investments must be in the name of the MLM or one of the municipal entities.

10. Investment Limitations

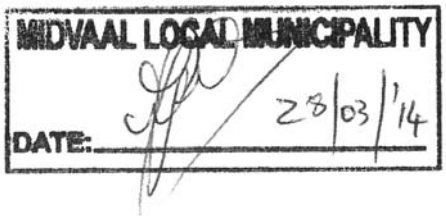
10.1 General Investment Practice

10.1.1 Short-term investments

In order to obtain the greatest security for MLM's funds, short-term investments are not to be made with financial institutions with ratings lower than A1 /F1 as defined in the National Rating Definitions.

10.1.2. Long-term investments not to be treated in terms of MFMA section 33 or section 46 in the investments process

Although long-term investments are regarded as "competitive bids" and must be treated in accordance with the Supply Chain Management Policy, in as far as allowing fair competition among the financial institutions / investing institutions / fund managers that meet the predefined criteria. Investing in permitted investments, in terms of the municipal investment regulation 6 and clause 3.1 of this policy; represents prudent financial management that ensures fund preservation and building cash reserves in the name of the municipality / entity to yield better return while ensuring that there will be sufficient cash liquidity for the municipality to meet its commitments when due and service delivery objectives as a primary premises. Therefore funds investment should be viewed as creating cash diversification for the municipality and not as creating expenditure or obligation as such. In conclusion; the MFMA section 33 or section 46 is not applicable in the investments process.



11. Investment Managers

Investment or Asset Fund Managers may be appointed to assist with the placing of investments, or to manage a portion of the investment portfolio in order to maximize interest earned without jeopardising liquidity. The appointment of these service providers must be done in accordance with the Supply Chain Management Policy. The conditions for their use including their liability in the event of non-compliance with this

policy must be included in the bidding documentation specifying mandates that minimise risk and place the institutions on equal footing.

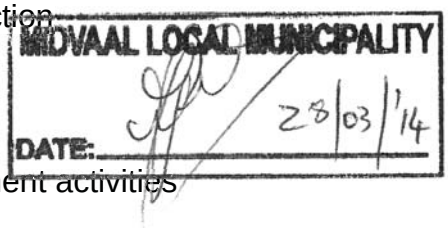
12. The Process of Investment of Funds

The process of investment of funds must in the first instance be made with the primary regard being to the probable safety of the investment in the second instance to the liquidity needs of MLM and lastly to the probable income derived from the investment. The investment of funds must be dealt with in accordance with the procedure for the calling of quotations and competitive bids as detailed in the Supply Chain Management Policy.

13. Safekeeping and Custody

The Chief Financial Officer shall establish and maintain an internal control structure designed to ensure the assets of the Metro are protected from loss, theft, or misuse. The controls will be to prevent losses of public funds from fraud, employee errors, misrepresentation by third parties, or imprudent actions by employees and officers of MLM. The controls will include, among others:

- Control of collusion
- Separation of functions
- Separation of transaction authority from accounting and record-keeping
- Custodial safekeeping
- Clear delegation of authority to subordinate staff members
- Specific limitations regarding security losses and remedial action
- Supervisory control of employee actions
- Minimising the number of authorised investment officials
- Effective data management and reporting system for investment activities
- Documentation of transactions and strategies.



14. Reporting

The Municipal Manager must, within 10 working days after the end of each month, submit to the Executive Mayor a report describing, in accordance with generally

recognised accounting practice, the investment portfolio as at the end of the month. The above-mentioned report must set out the following:

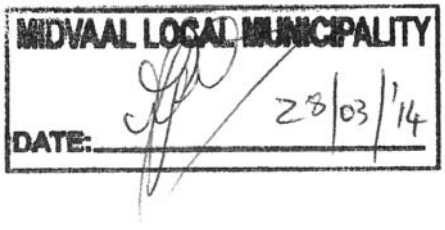
- the market value of each investment as at the beginning of the reporting period;
- any changes to the investment portfolio during the reporting period;
- the market value of each investment as at the end of the reporting period; and
- fully accrued interest or yield for the reporting period.

A bank, insurance company or other Investment / Fund Managers which at the end of a financial year holds, or at any time during a financial year held, an investment for MLM, must:

- within 30 days after the end of that financial year notify the Auditor General, in writing, of that investment, including the opening and closing balances of that investment in that financial year and;
- promptly disclose information regarding the investment when so requested by the National Treasury or the Auditor-General.

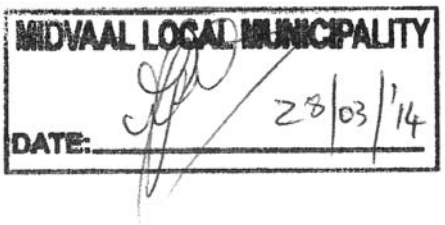
15. Policy Review

This policy will be reviewed annually by the Chief Financial Officer to ensure congruence with changing needs, technology, evolving regulatory standards with the MFMA, Investment regulations, and private sector best practices. The process to be followed for the annual revision of the policy will be via the committee system of Council as part of the annual Budget Process.



MIDVAAL
LOCAL MUNICIPALITY

INVESTMENT POLICY



INVESTMENT POLICY

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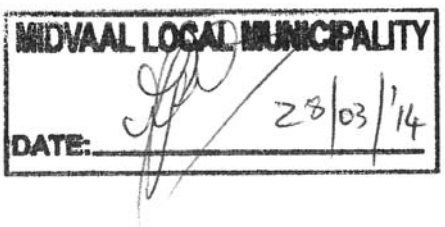
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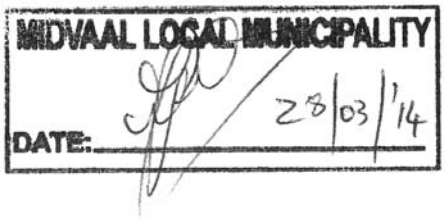
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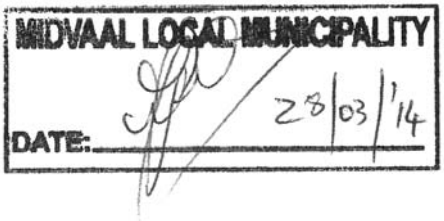
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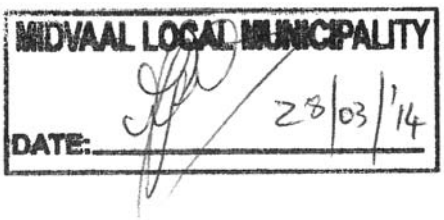
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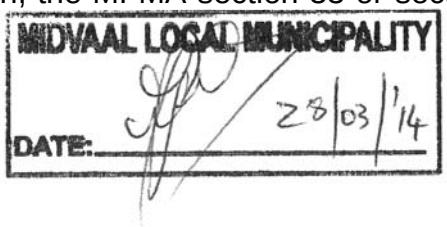
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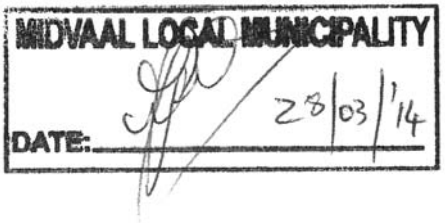
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- Control of collusion
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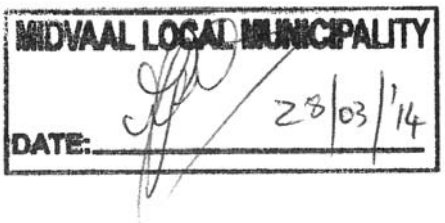
- the market value of each investment as at the beginning of the reporting period;
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- within 30 days after the end of that financial year notify the Auditor General, in writing, of that investment, including the opening and closing balances of that investment in that financial year and;
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This policy will be reviewed annually by the Chief Financial Officer to ensure congruence with changing needs, technology, evolving regulatory standards with the MFMA, Investment regulations, and private sector best practices. The process to be followed for the annual revision of the policy will be via the committee system of Council as part of the annual Budget Process.



MIDVAAL
LOCAL MUNICIPALITY

INVESTMENT POLICY

MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/14

INVESTMENT POLICY

1. Application and Scope

The Investment Policy is applicable to the Midvaal Local Municipality.

2. Objective of Policy

The objective of the policy is to ensure that all investments made by the Midvaal Local Municipality ("MLM") comply with the Investment Regulations issued by National Treasury in terms of the Municipal Finance Management Act. This Policy, as far as practically applicable, must be consistent with the Supply Chain Management Policy.

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The legislative framework governing investment decisions are:

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MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/'14

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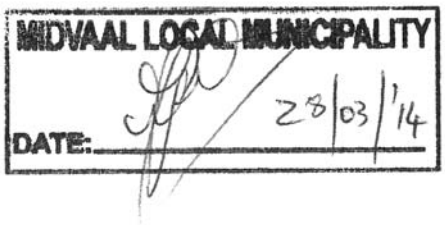
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Short-term investments are defined as:

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5.1 Preservation and safety of investments

The probable safety of the investment must in the first instance be considered when making investments. Preservation of capital is accomplished through placement of funds with creditworthy institutions and through portfolio diversification.

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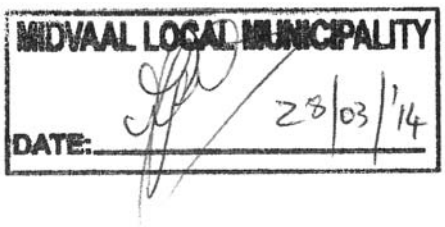
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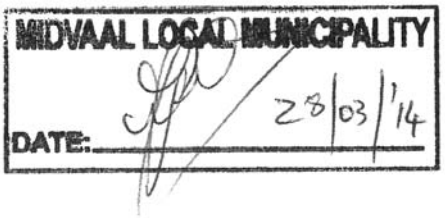
Authority to manage MLM's investment portfolio is delegated as follows:

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MLM shall rely on the credit analysis of the financial institutions as obtained from external Credit Rating Agencies. The Municipal Manager shall be made aware of real or potential problems related to credit or credit rating issues and their impact on the investment portfolio by the recognised Credit Rating Agencies, as this information becomes available.



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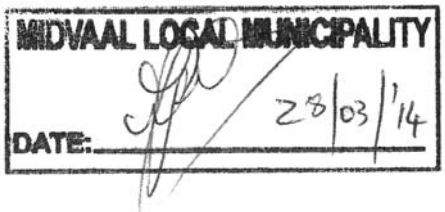
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Although long-term investments are regarded as "competitive bids" and must be treated in accordance with the Supply Chain Management Policy, in as far as allowing fair competition among the financial institutions / investing institutions / fund managers that meet the predefined criteria. Investing in permitted investments, in terms of the municipal investment regulation 6 and clause 3.1 of this policy; represents prudent financial management that ensures fund preservation and building cash reserves in the name of the municipality / entity to yield better return while ensuring that there will be sufficient cash liquidity for the municipality to meet its commitments when due and service delivery objectives as a primary premises. Therefore funds investment should be viewed as creating cash diversification for the municipality and not as creating expenditure or obligation as such. In conclusion; the MFMA section 33 or section 46 is not applicable in the investments process.



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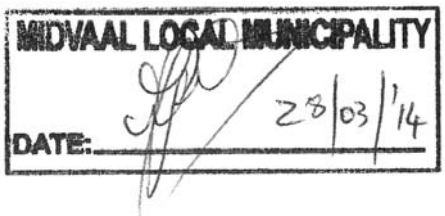
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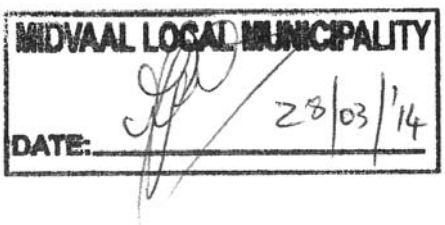
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MIDVAAL
LOCAL MUNICIPALITY

INVESTMENT POLICY

MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/'14

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MIDVAAL LOCAL MUNICIPALITY
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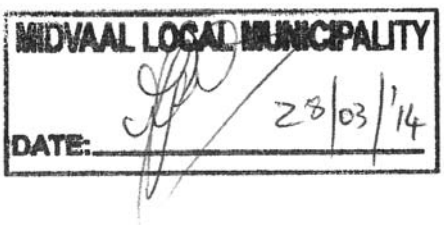
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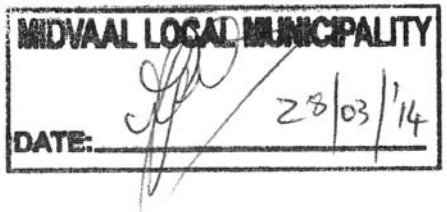
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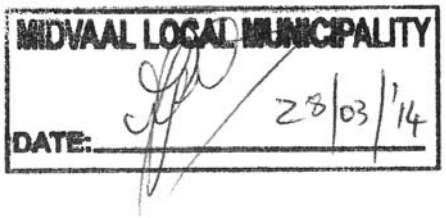
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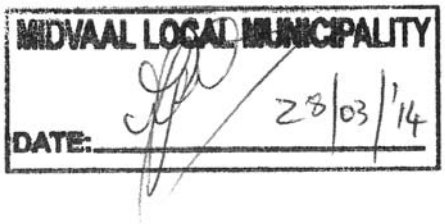
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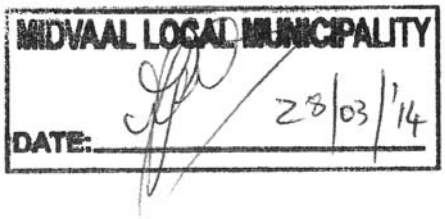
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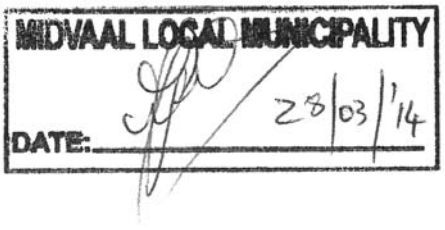
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MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/14

MIDVAAL
LOCAL MUNICIPALITY

INVESTMENT POLICY

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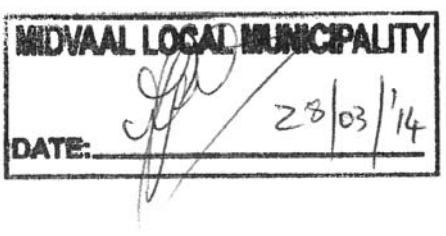
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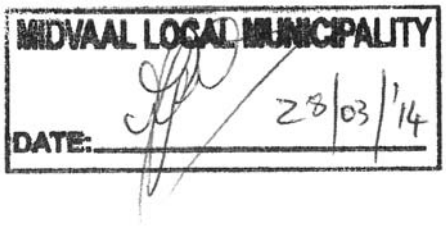
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5.3 Liquidity

The investment portfolio shall remain sufficiently liquid to meet all reasonably anticipated operating requirements.

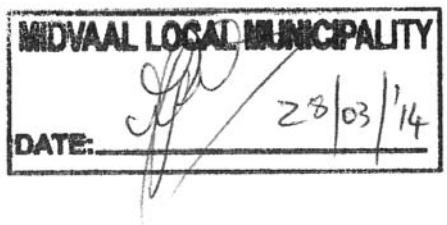
5.4 Return on investments

The investment portfolio shall be designed with the objective of attaining a maximum rate of return subject to the investment risk constraints and liquidity requirements of MLM.

6. Standards of Care

6.1 Prudence

The Municipal Manager, in accordance with this policy, must exercise due diligence in carrying out the investment function. The MLM has a responsibility to invest public Finance funds with great care and is accountable to the community in this regard. Investments must be made with such judgement and care, under the prevailing circumstances, as a person of prudence, discretion and intelligence would exercise in the management of that person's own affairs. Investments may not be for speculation but must be genuine investments.



6.2 Ethics and Conflicts of Interest

Officials responsible for the investment of funds must steer clear of outside interference, regardless of whether such interference comes from individual Councillors, agents or any other institution. The ethical standards as contained in the Municipal Supply Chain Management Policy are **"mutatis mutandis"** applicable to investment activities. Interest rates offered should never be divulged to another institution.

6.3 Payment of Commission

No commission or other award may be paid to an official or councillor of MLM or to a spouse or close family in respect of any investment made or referred by MLM. If an investee pays any commission or other reward to an external investment manager appointed by the MLM in respect of any investment made by MLM, both the investee and the investment manager must declare such payment to the council by way of a certificate disclosing full details of the payment.

7. Delegation of Authority

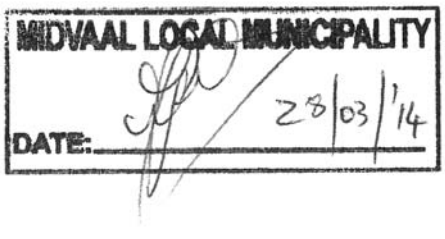
Authority to manage MLM's investment portfolio is delegated as follows:

The Municipal manager to invest any amount (after taking due cognisance of the liquidity requirements of MLM) of the short-term funds in terms of the provisions of the investment policy

The Bid Adjudication Committee or Municipal Manager to approve the investment of long-term funds in terms of the provisions of the Investment Policy and Municipal Supply Chain Management Regulations in accordance with the process as stipulated in the Supply Chain Management Policy.

8. Rating of Financial Institutions

MLM shall rely on the credit analysis of the financial institutions as obtained from external Credit Rating Agencies. The Municipal Manager shall be made aware of real or potential problems related to credit or credit rating issues and their impact on the investment portfolio by the recognised Credit Rating Agencies, as this information becomes available.



9. Authorised Investments

All investments must be in the name of the MLM or one of the municipal entities.

10. Investment Limitations

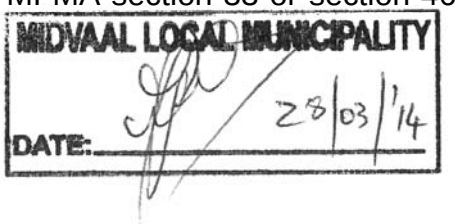
10.1 General Investment Practice

10.1.1 Short-term investments

In order to obtain the greatest security for MLM's funds, short-term investments are not to be made with financial institutions with ratings lower than A1 /F1 as defined in the National Rating Definitions.

10.1.2. Long-term investments not to be treated in terms of MFMA section 33 or section 46 in the investments process

Although long-term investments are regarded as "competitive bids" and must be treated in accordance with the Supply Chain Management Policy, in as far as allowing fair competition among the financial institutions / investing institutions / fund managers that meet the predefined criteria. Investing in permitted investments, in terms of the municipal investment regulation 6 and clause 3.1 of this policy; represents prudent financial management that ensures fund preservation and building cash reserves in the name of the municipality / entity to yield better return while ensuring that there will be sufficient cash liquidity for the municipality to meet its commitments when due and service delivery objectives as a primary premises. Therefore funds investment should be viewed as creating cash diversification for the municipality and not as creating expenditure or obligation as such. In conclusion; the MFMA section 33 or section 46 is not applicable in the investments process.



11. Investment Managers

Investment or Asset Fund Managers may be appointed to assist with the placing of investments, or to manage a portion of the investment portfolio in order to maximize interest earned without jeopardising liquidity. The appointment of these service providers must be done in accordance with the Supply Chain Management Policy. The conditions for their use including their liability in the event of non-compliance with this

policy must be included in the bidding documentation specifying mandates that minimise risk and place the institutions on equal footing.

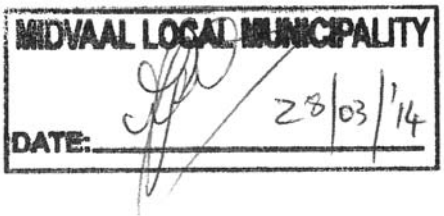
12. The Process of Investment of Funds

The process of investment of funds must in the first instance be made with the primary regard being to the probable safety of the investment in the second instance to the liquidity needs of MLM and lastly to the probable income derived from the investment. The investment of funds must be dealt with in accordance with the procedure for the calling of quotations and competitive bids as detailed in the Supply Chain Management Policy.

13. Safekeeping and Custody

The Chief Financial Officer shall establish and maintain an internal control structure designed to ensure the assets of the Metro are protected from loss, theft, or misuse. The controls will be to prevent losses of public funds from fraud, employee errors, misrepresentation by third parties, or imprudent actions by employees and officers of MLM. The controls will include, among others:

- Control of collusion
- Separation of functions
- Separation of transaction authority from accounting and record-keeping
- Custodial safekeeping
- Clear delegation of authority to subordinate staff members
- Specific limitations regarding security losses and remedial action
- Supervisory control of employee actions
- Minimising the number of authorised investment officials
- Effective data management and reporting system for investment activities
- Documentation of transactions and strategies.



14. Reporting

The Municipal Manager must, within 10 working days after the end of each month, submit to the Executive Mayor a report describing, in accordance with generally

recognised accounting practice, the investment portfolio as at the end of the month. The above-mentioned report must set out the following:

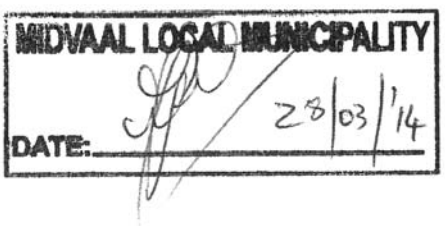
- the market value of each investment as at the beginning of the reporting period;
- any changes to the investment portfolio during the reporting period;
- the market value of each investment as at the end of the reporting period; and
- fully accrued interest or yield for the reporting period.

A bank, insurance company or other Investment / Fund Managers which at the end of a financial year holds, or at any time during a financial year held, an investment for MLM, must:

- within 30 days after the end of that financial year notify the Auditor General, in writing, of that investment, including the opening and closing balances of that investment in that financial year and;
- promptly disclose information regarding the investment when so requested by the National Treasury or the Auditor-General.

15. Policy Review

This policy will be reviewed annually by the Chief Financial Officer to ensure congruence with changing needs, technology, evolving regulatory standards with the MFMA, Investment regulations, and private sector best practices. The process to be followed for the annual revision of the policy will be via the committee system of Council as part of the annual Budget Process.



MIDVAAL
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BORROWING POLICY

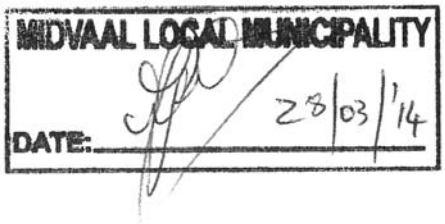
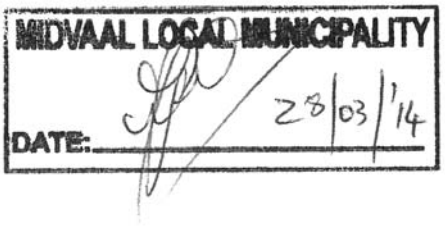


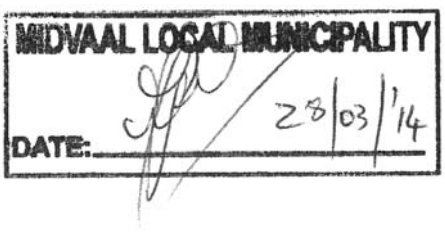
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ABBREVIATIONS

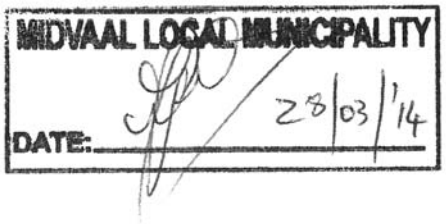
MLM	Midvaal Local Municipality
AO	Accounting Officer
ASB	Accounting Standards Board
CFO	Chief Financial Officer
CRR	Capital Replacement Reserve
GRAP	Generally Recognised Accounting Practise
IDP	Integrated Development Plan
MFMA	Municipal Finance Management Act
MSA	Municipal Systems Act
VAT	Value Added Tax
SDBIP	Service Delivery and Implementation Plan



1. PURPOSE OF THIS DOCUMENT

This policy sets outs the principles for determining the following:-

- The Municipality's borrowing requirements.
- Process to be followed when debt is incurred.



2. DEFINITIONS

In this Policy, unless the context otherwise indicates, a word or expression to which a meaning has been assigned in the Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003), has the meaning so assigned, and:

"Accounting Officer" – means the Municipal Manager and vice versa;

"Act" – means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);

"Chief Financial Officer" – means an officer of the Municipality, designated by the Municipal Manager to be administratively in charge of the financial affairs of the municipality;

"Council" or "Municipality" – means the Municipal Council of Example Municipality as referred to in Section 18 of the Municipal Structures Act;

"Creditor" – in relation to a municipality, means any person or service provider to whom money is owing by the Municipality;

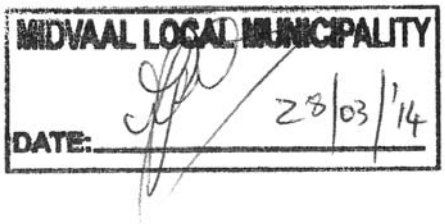
"Debt" – means –

(a) a monetary liability of obligation created by a financing agreement, note, debenture, bond, overdraft or the issuance of municipal securities; or
(b) a contingent liability such as that created by guaranteeing a monetary liability or obligation of another.

"Delegatee" – means an official / person delegated to perform tasks on behalf of another person;

"Financial Statement" – means statements consisting of at least –

(a) a balance sheet (statement of financial position);
(b) an income statement (statement of financial performance);
(c) a cash-flow statement;
(d) any other statements that may be prescribed; and



(e) any notes to these statements.

"Financial year" – means a year ending 30 June;

"Financing Agreement" means any long-term agreement, lease, installment purchase contract or hire purchase agreement under which the Municipality undertakes to pay the capital cost of property, plant or equipment over a period of time;

"Lender" – in relation to a municipality means a person or service provider who provides debt finance to a municipality;

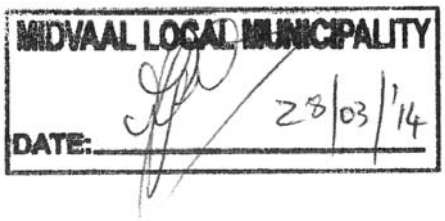
"Long Term Debt" – means debt which is repayable over a period exceeding 12 months;

"Municipal debt instrument" – means any note, bond, debenture or other evidence of indebtedness issued by a municipality, including virtual or electronic evidence of indebtedness intended to be used in raising debt;

"Security" – means a lien, pledge, mortgage, cession or other form of collateral intended to secure the interest of a creditor;

"Short Term Debt" – means a debt which is repayable over a period not exceeding 12 months.

In this document unless the context otherwise indicates, words and expressions denoting the singular shall include the plural and vice versa, words and expressions denoting the male sex shall include the female sex and vice versa and reference to a natural person shall include a legal person and vice versa.



3. BACKGROUND

The Local Government: Municipal Finance Management Act No 56 of 2003 (hereafter MFMA) section 18 requires that an annual budget may only be funded from:

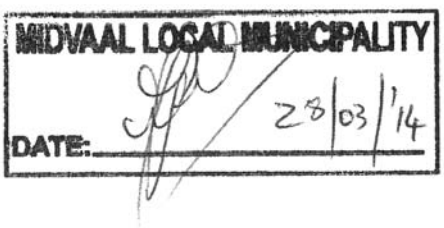
(a) Realistically anticipated revenues to be collected;

(b) Cash backed accumulated funds from previous years' surpluses not committed for other purposes; and

(c) Borrowed funds, but only for capital projects.

Section 19 of the MFMA also requires spending on a capital project may only be commenced once the funding sources have been considered, are available and have not been committed for other purposes. Furthermore, Chapter 6 of the MFMA 6 guides on the requirements of obtaining Short Term and Long Term Debt, Conditions to comply with when applying for Debt, Security, Disclosures and Municipal Guarantees.

The Local Government: Municipal Finance Management Act No 56 of 2003 Municipal Budget and Reporting Regulations, 2009 Section 8 requires that each Municipality should have a Borrowing Policy.



4. OBJECTIVES

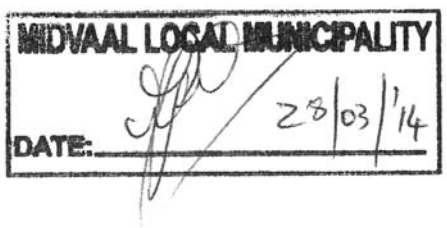
The objectives of the policy are as follows:

(a) To comply with the legislative requirements;

(b) Manage interest rate and credit risk exposure;

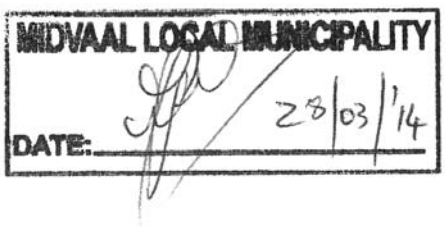
(c) Maintain debt within specified limits and ensure adequate provision for the repayment of debt;

(d) To ensure compliance with all Legislation and Council policy governing borrowing of funds.



5. APPROVAL AND EFFECTIVE DATE

The policy will be effective 1 July 2014.

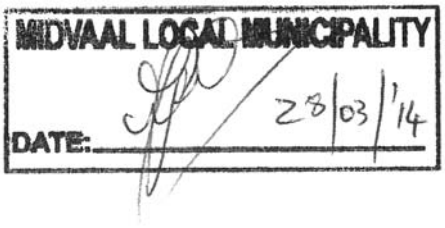


6. POLICY AMENDMENT

The AO must–

(a) at least annually review the implementation of this Policy; and
(b) when the AO considers it necessary, submit proposals for the amendment of this Policy to the Council.

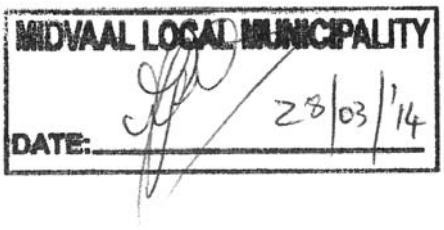
The review of this policy and any amendment should be made with due consideration and in conjunction with the annual review of the budget related policies as prescribed in the Municipal Budget and Reporting Regulations, 2008.



7. RELATIONSHIP WITH OTHER POLICIES

This policy needs to be read in conjunction with other relevant adopted policies of the municipality, including the following:

- Delegation of Powers;
- Accounting Policy;
- Cash Management and Investment Policy
- Long Term Financial Plan Policy;
- Budget Implementation and Monitoring Policy;



8. INTRODUCTION AND BACKGROUND

The Municipality may only incur debt in terms of the Municipal Finance Management Act, Act No. 56 of 2003. The Municipality may incur two types of debt, namely short-term and long-term debt.

8.1 A municipality may incur debt (short-term and long-term debt) only if:

8.1.1 The debt is denominated in Rand and is not indexed to, or affected by, fluctuations in the value of the Rand against any foreign currency; and

8.1.2 A council resolution is taken authorising the provision of security if security is to be provided by the municipality.

8.2 Short Term Debt

8.2.1 The Municipality may incur short-term debt only when necessary to bridge:

8.2.1.1 Shortfalls within a financial year during which the debt is incurred, in expectation of specific and realistically anticipated income to be received within that financial year; or

8.2.1.2 Capital needs within a financial year, to be repaid from specific funds to be received from enforceable allocations or long- term debt commitments.

8.2.3 A municipality may incur short-term debt only if:

8.2.3.1 A resolution of the municipal council, signed by the executive mayor, has approved the debt agreement; and

8.2.3.2 The AO has signed the agreement or other document which creates or acknowledges the debt.

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DATE: 28/03/14

8.2.4 The Municipality:

8.2.4.1 Must pay off short-term debt within a financial year; and

8.2.4.2 May not renew or refinance its short-term debt.

8.2.5 A short term debt transaction may be:

8.2.5.1 approved individually; or

- an agreement with a lender for short-term credit facility to be accessed as and when required, including a line of credit or bank overdraft facility, provided that:
 - the credit limit must be specified in the resolution of the council;
 - in terms of the agreement, including the credit limit, may be changed only by a resolution of the council; and
 - if the council approves a credit facility that is limited to emergency use, the AO must notify the council in writing as soon as practical of the amount, duration and cost of any debt incurred in terms of such a credit facility, as well as options for repaying such debt.

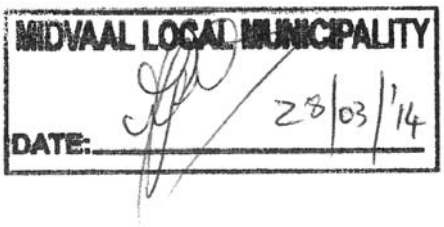
8.2.6 No lender may willfully extend credit to a municipality for the purpose of renewing or refinancing short-term debt that must be paid off in terms of subsection 6.3(a).

8.2.7 If a lender willfully extends credit to a municipality in contravention of this policy, the municipality is not bound to repay the loan or interest on the loan.

8.2.8 This does not apply if the lender:

8.2.8.1 Relied in good faith on written representations of the municipality as to the purpose of the borrowing; and

8.2.8.2 Did not know and had no reason to believe that the borrowing was for the purpose of renewing or refinancing short-term debt.



8.3 Long Term Debt

8.3.3 The Municipality may incur long-term debt for purposes of financing its long-term strategic objectives, as outlined in the Constitution of the Republic of South Africa, Act No. 108 of 1996, and Chapter 7 on Local Government, to:

8.3.3.1 Provide democratic and accountable government for local communities;
8.3.3.2 Ensure the provision of services to communities in a sustainable manner;
8.3.3.3 Promote social and economic development;
8.3.3.4 Promote a safe and healthy environment; and
8.3.3.5 Encourage the involvement of communities and community organizations in the matters of local government.

8.3.4 A municipality may incur long-term debt only if:

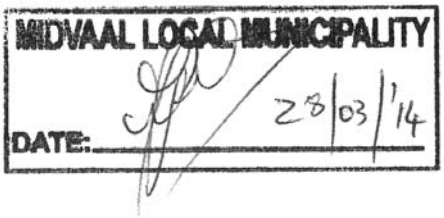
8.3.4.1 A resolution of the municipal council, signed by the executive mayor, has approved the debt agreement; and

8.3.4.2 The AO has signed the agreement or other document which creates or acknowledges the debt.

8.3.5 A municipality may incur long-term debt only if the AO of the municipality:

8.3.5.1 Has, in accordance with section 21A of the Municipal Systems Act:

- at least twenty one (21) days prior to the meeting the council at which approval for the debt is to be considered, made public an information statement setting out particulars of the proposed debt, including the amount of the proposed debt, the purposes for which the debt is to be incurred and particulars of any security to be provided; and
- invited the public, the National Treasury and the relevant provincial treasury to submit written comments or representations to the council in respect of the proposed debt; and



8.3.5.2 Has submitted a copy of the information statement to the municipal council at least twenty one (21) days prior to the meeting of the council, together with particulars of:

- the essential repayment terms, including the anticipated debt repayment schedule; and
- the anticipated total cost in connection with such debt over the repayment period.

8.3.6 Capital expenditure may include:

8.3.6.1 Financing costs, including:

- capitalised interest for a reasonable initial period;
- costs associated with security arrangements in accordance with section 48 of the Act;
- discounts and fees in connection with the financing;
- fees for legal, financial, advisory, trustee, credit rating and other services directly connected to the financing; and
- costs connected to the sale or placement of debt, and costs for printing and publication directly connected to the financing.

8.3.6.2 Costs of professional services directly related to the capital expenditure; and

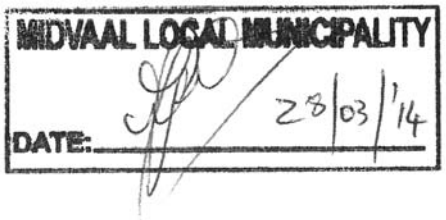
8.3.6.3 Such other costs as may be prescribed.

8.3.7 A municipality may borrow money for the purpose of refinancing existing long-term debt, provided that:

8.3.7.1 The existing long-term debt was lawfully incurred;

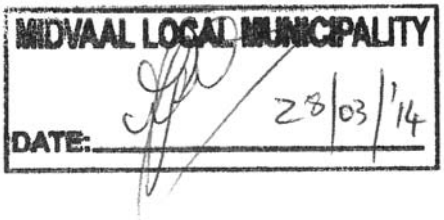
8.3.7.2 The refinancing does not extend the term of the debt beyond the useful life of the property, plant or equipment for which the money was originally borrowed;

8.3.7.3 The net present value of projected future payments (including principal and interest payments) after refinancing is less than the net present value of projected future payments before refinancing; and



8.3.7.4 The discount rate used in projecting net present value, and any assumptions in connection with the calculations, must be reasonable and in accordance with criteria set out in a framework that may be prescribed.

8.3.8 A municipality's long-term debt must be consistent with its capital budget referred.



9. SECURITY

9.1 A municipality may by resolution of its council provide security for:

9.1.1 Any of its debt obligations; and

9.1.2 Contractual obligations of the municipality undertaken in connection with capital expenditure by the persons on property, plant or equipment to be used by the municipality or such other person for the purpose of achieving the objectives of local government in terms of section 152 of the Constitution.

9.2 A municipality may in terms of subsection (14.1) provide any appropriate security, including by:

9.2.1 Giving a lien on, or pledging, mortgaging, ceding or otherwise hypothecating, an asset or right, or giving any other form of collateral;

9.2.2 Undertaking to effect payment directly from money or sources that may become available and to authorise the lender or investor direct access to such sources to ensure payment of the secured debt or the performance of the secured obligations, but this form of security may not affect compliance with section 8(2);

9.2.3 Undertaking to deposit funds with the lender, investor or third party as security;

9.2.4 Agreeing to specific payment mechanisms or procedures to ensure exclusive or dedicated payment to lenders or investors, including revenue intercepts, payments into dedicated accounts or other payment mechanisms or procedures;

9.2.5 Ceding as security any category of revenue or rights to future revenue;

9.2.6 Undertaking to have disputes resolved through mediation, arbitration or other dispute resolution mechanisms;

9.2.7 Undertaking to retain revenues or specific municipal tariffs or other charges, fees or funds at a particular level or at a level sufficient to meet its financial obligations;

9.2.8 Undertaking to make provision in its budgets for the payment of its financial obligations, including capital and interest;

9.2.9 Agreeing to restrictions on debt that the municipality may incur in future until the secured debt is settled or the secured obligations are met; and

9.2.10 Agreeing to such other arrangements as the municipality may consider necessary and prudent.

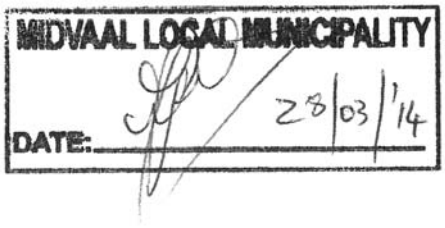
9.3 A council resolution authorising the provision of security:

9.3.1 Must determine whether the asset or right with respect to which the security is provided, is necessary for providing the minimum level of basic municipal services; and

9.3.2 If so, must indicate the manner in which the availability of the asset or right for the provision of that minimum level of basic municipal services will be protected.

9.4 If the resolution has determined that the asset or right is necessary for providing the minimum level of basic municipal services, neither the party to whom the municipal security is provided, nor any successor or assignee of such party, may, in the event of a default by the municipality, deal with the asset or right in a manner that would preclude or impede the continuation of that minimum level of basic municipal services.

9.5 A determination in terms of subsection (14.3) that an asset or right is not necessary for providing the minimum level of basic municipal services is binding on the municipality until the secured debt has been paid in full or the secured obligations have been performed in full, as the case may be.



10. DISCLOSURE

10.1 Any person involved in the borrowing of money by the municipality must, when interacting with a prospective lender or when preparing documentation for consideration by a prospective investor:

10.1.1 disclose all information in that person's possession or within that person's knowledge that may be material to the decision of that prospective lender or investor; and

10.1.2 take reasonable care to ensure the accuracy of any information disclosed.

10.2 Information to be provided should include:

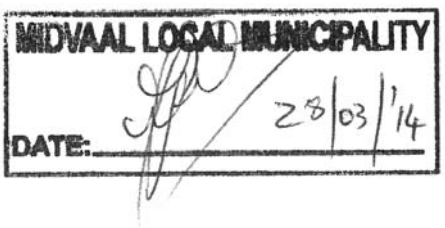
10.2.1 Audited financial statements for the preceding three (3) financial years with audited outcomes;

10.2.2 Approved annual budget;

10.2.3 The municipal integrated development plan;

10.2.4 Repayment schedules pertaining to existing short-term or long-term debt.

10.3 A lender or investor may rely on written representations of the municipality signed by the AO, if the lender or investor did not know and had no reason to believe that those representations were false or misleading.

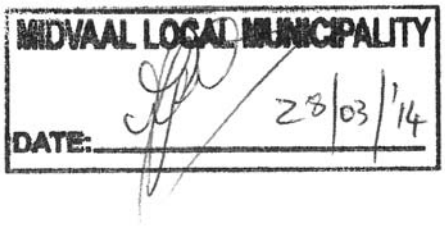


11. MUNICIPAL GUARANTEES

11.1 A municipality may not issue any guarantee for any commitment or debt of any organ of state or person, except on the following condition:

11.1.1 The guarantee must be within limits specified in the municipality's approved budget.

11.2 Neither the national nor a provincial government may guarantee the debt of a municipality except to the extent that chapter 8 of the Public Finance Management Act provides for such guarantees.



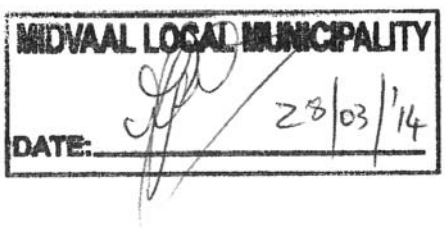
12. APPROVAL

12.1 Once Council approves the loan, the AO has to enter into an agreement with the recommended financial institution on behalf of Council. The Chief Financial Officer must ensure that the terms and conditions are as originally agreed before the Council is committed;

12.2 All municipal loan commitments must be recorded in a Loans Register reflecting at a minimum the:

12.2.1 Loan number;
12.2.2 Type of loan;
12.2.3 Financial institution;
12.2.4 Date issued;
12.2.5 Purpose of loan;
12.2.6 Loan period;
12.2.7 Interest rate;
12.2.8 Installments (capital and interest);
12.2.9 Due dates (quarterly / half-yearly / yearly);
12.2.10 Security (if any);
12.2.11 Final redemption date;
12.2.12 Opening balance at the beginning of the financial year;
12.2.13 Amounts received during the financial year;
12.2.14 Capital amounts redeemed during the financial year; and
12.2.15 Closing balance at the end of the financial year.

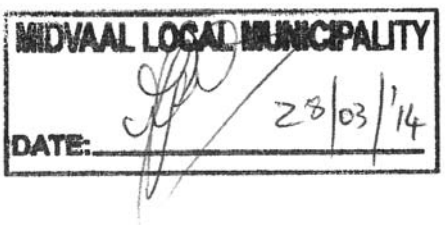
12.3 Sufficient provision must be made in the budget to depreciate assets linked to the loan.



13. DOCUMENTS TO BE KEPT ON RECORD

13.1 The following loan documentation and certificates, at a minimum, must be safeguarded at all times:

13.1.1 Loan agreements;
13.1.2 Any applicable security agreements;
13.1.3 Copy of annual loans register;
13.1.4 Signed copies of monthly reconciliations;
13.1.5 Copies of all repayments made;
13.1.6 Copies of amortization schedules;
13.1.7 Copies of quarterly National Treasury returns.



MIDVAAL
LOCAL MUNICIPALITY

FUNDING AND RESERVES POLICY

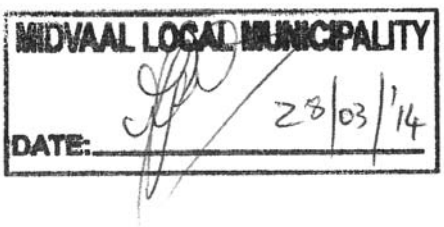
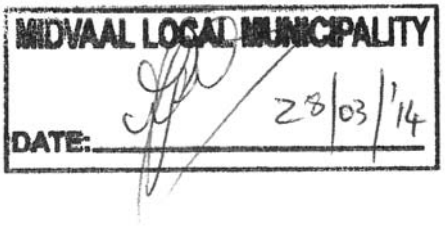


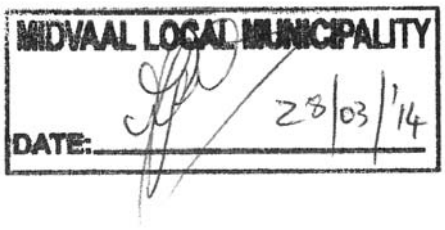
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ABBREVIATIONS

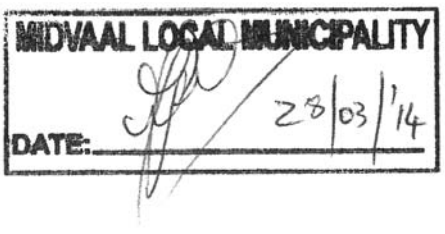
MLM	Midvaal Local Municipality
AO	Accounting Officer
ASB	Accounting Standards Board
CFO	Chief Financial Officer
CRR	Capital Replacement Reserve
GRAP	Generally Recognised Accounting Practise
IDP	Integrated Development Plan
MFMA	Municipal Finance Management Act
MSA	Municipal Systems Act
VAT	Value Added Tax
SDBIP	Service Delivery and Implementation Plan



1. PURPOSE OF THIS DOCUMENT

This policy sets outs the principles for determining the following:-

- Projected billings, collections and all direct revenues;
- The provision for revenue that will not be collected;
- The funds the Municipality can expect to receive from investments;
- The proceeds the Municipality can expect to receive from the transfer or disposal of assets;
- The funds to be set aside in reserves.



2. DEFINITIONS

In this Policy, unless the context otherwise indicates, a word or expression to which a meaning has been assigned in the Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003), has the meaning so assigned, and:

"Accounting Officer" – means the Municipal Manager and vice versa;

"Act" – means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);

"Chief Financial Officer" – means an officer of the Municipality, designated by the Municipal Manager to be administratively in charge of the financial affairs of the municipality;

"Council" or "Municipality" – means the Municipal Council of Example Municipality as referred to in Section 18 of the Municipal Structures Act;

"Creditor" – in relation to a municipality, means any person or service provider to whom money is owing by the Municipality;

"Debt" – means –

(a) a monetary liability of obligation created by a financing agreement, note, debenture, bond, overdraft or the issuance of municipal securities; or

(b) a contingent liability such as that created by guaranteeing a monetary liability or obligation of another.

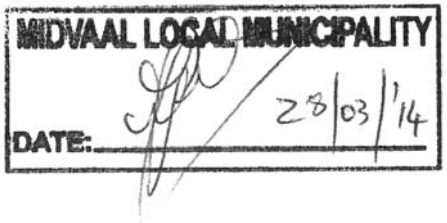
"Delegatee" – means an official / person delegated to perform tasks on behalf of another person;

"Financial Statement" – means statements consisting of at least –

(a) a balance sheet (statement of financial position);

(b) an income statement (statement of financial performance);

(c) a cash-flow statement;

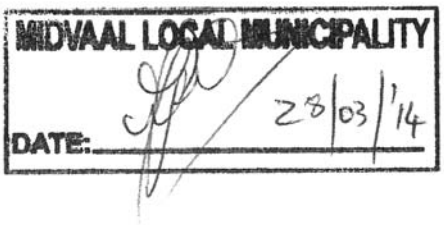


(d) any other statements that may be prescribed; and

(e) any notes to these statements.

"Financial year" – means a year ending 30 June;

In this document unless the context otherwise indicates, words and expressions denoting the singular shall include the plural and vice versa, words and expressions denoting the male sex shall include the female sex and vice versa and reference to a natural person shall include a legal person and vice versa.



3. BACKGROUND

The Local Government: Municipal Finance Management Act No 56 of 2003 (*hereafter MFMA*) section 18 requires that an annual budget may only be funded from:

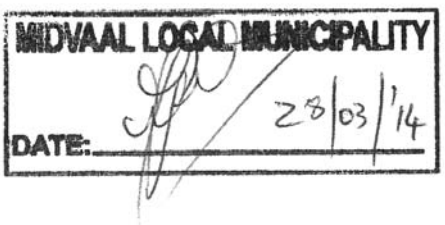
(a) Realistically anticipated revenues to be collected;

(b) Cash backed accumulated funds from previous years' surpluses not committed for other purposes; and

(c) Borrowed funds, but only for capital projects.

Section 19 of the MFMA also requires spending on a capital project may only be commenced once the funding sources have been considered, are available and have not been committed for other purposes. Furthermore, Chapter 6 of the MFMA 6 guides on the requirements of obtaining Short Term and Long Term Debt, Conditions to comply with when applying for Debt, Security, Disclosures and Municipal Guarantees.

The Local Government: Municipal Finance Management Act No 56 of 2003 Municipal Budget and Reporting Regulations, 2009 Section 8 requires that each Municipality should have a Funding and Reserves Policy.



4. OBJECTIVES

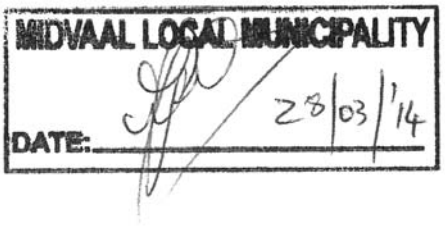
The objectives of the policy relating to funding and reserves are as follows:

(a) To comply with the legislative requirements;

(b) To ensure that the Municipality's Operating and Capital budgets are adequately funded;

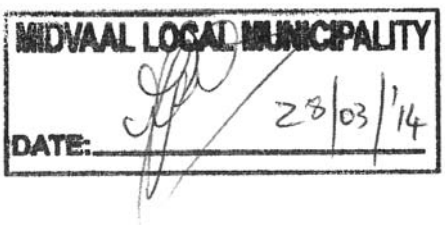
(c) To ensure that the Municipality's provisions and reserves are maintained at the required levels, in order to mitigate unfunded liabilities in future financial years; and

(d) To achieve financial sustainability with acceptable levels of service delivery to the community.



5. APPROVAL AND EFFECTIVE DATE

The policy will be effective as from 1 July 2014.

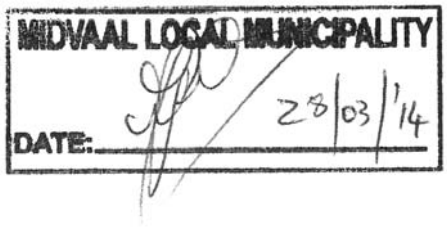


6. POLICY AMENDMENT

The AO must–

(a) at least annually review the implementation of this Policy; and
(b) when the AO considers it necessary, submit proposals for the amendment of this Policy to the Council.

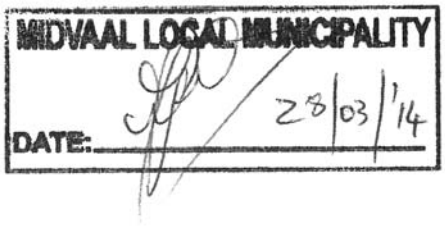
The review of this policy and any amendment should be made with due consideration and in conjunction with the annual review of the budget related policies as prescribed in the Municipal Budget and Reporting Regulations, 2008.



7. RELATIONSHIP WITH OTHER POLICIES

This policy needs to be read in conjunction with other relevant adopted policies of the municipality, including the following:

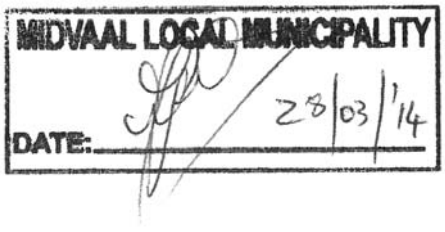
- Accounting Policy;
- Cash Management and Investment Policy
- Long Term Financial Plan Policy;



8. REFERENCES

The following references were observed in compiling this document:

- Municipal Finance Management Act, 2003
- Municipal Systems Act, 2000
- Municipal Structures Act, 1998
- Accounting Standards Board
- MFMA Circular 18 & 44
- MFMA Budget Circular 51
- Municipal Budget and Reporting Regulations, 2008
- Government Gazettes (30013 & 31021)
- Generally Recognised Accounting Practice



9. PRINCIPLES REGARDING THE FUNDING OF THE ANNUAL BUDGET

9.1 An annual budget may only be funded from:-

9.1.1 Realistically anticipated revenues to be collected;

9.1.2 Cash backed accumulated funds from previous years surpluses and reserves not committed for any other purpose; and

9.1.3 Borrowed funds but only for the capital budget.

9.2 Realistic anticipated revenue projections must take into account:-

9.2.1 Projected revenue for the current year based on collection levels to date; and

9.2.2 Actual revenue collected in previous financial years.

9.3 Spending on a capital project may only occur if:-

9.3.1 The money for the project, excluding the cost of feasibility studies, has been appropriated in the budget;

9.3.2 The project, including the total cost, has been approved by Council;

9.3.3 The sources of funding have been considered, are available and have not been committed for other purposes;

9.3.4 Council has considered:-

9.3.4.1 The projected cost covering all financial years until the project is operational; and

9.3.4.2 The future operations costs and revenue on the project, including municipal tax and tariff implications.

MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/'14

10. FUNDING THE OPERATING BUDGET

10.1 The operating budget provides funding to departments for their medium term expenditure as planned.

10.1.1 The Municipality categorises services rendered to the community according to its revenue generating capabilities as follows:-

10.1.2 Trading services (services that generate predetermined surpluses that can be used to fund other services rendered by the Municipality);

10.1.3 Economic services (services that should at least break-even, but do not necessarily generate any surpluses to fund other services rendered by the Municipality);

10.1.4 Rates and General (services that are funded by property rates, government grants or surpluses generated by the trading services).

10.2 The operating budget is funded from the following main sources of revenue:-

10.2.1 Property rates;

10.2.2 Service charges;

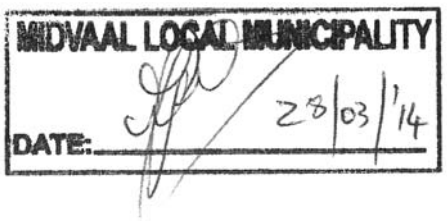
10.2.3 Government grants and subsidies;

10.2.4 Other sundry revenue, such as fines, interest received etc; and

10.2.5 Cash backed accumulated surpluses from previous years not committed for any other purposes.

10.3 The following guiding principles apply when compiling the operating budget:-

10.3.1 The annual budget must be cash backed;



10.3.2 Growth parameters must be realistic taking into account the current economic conditions;

10.3.3 Tariff adjustments must be realistic, taking into consideration affordability, bulk increases and future projected growth according to the approved Integrated Development Plan (IDP);

10.3.4 Revenue from government grants and subsidies must be in line with allocations gazetted in the Division of Revenue Act and Provincial Gazettes;

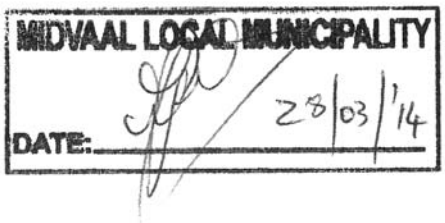
10.3.5 Revenue from public contributions, donations or any other grants may only be included in the budget if there are acceptable documentation that guarantees the funds such as:-

10.3.5.1 A signed service level agreement;
10.3.5.2 A contract or written confirmation; or
10.3.5.3 Any other legally binding document.

10.3.6 Property rates are levied according to the Municipal Property Rates Act and Property Rates Policy based on the market values. The budget is compiled using the latest approved Valuation Roll and any Supplementary Roll, consistent with current and past trends. Property rates tariffs and rebates are determined annually as part of the tariff setting process;

10.3.7 Property rates rebates, exemptions and reductions are budgeted either as revenue foregone or as a grant as per MFMA Budget Circular 51 depending on the conditions thereof;

10.3.8 Projected revenue from service charges must be realistic based on current and past trends with expected growth considering the current economic conditions. The following factors must be considered for each service:-



10.3.9 Metered services comprising of electricity and water:-

10.3.9.1 The consumption trends for the previous financial years;

10.3.9.2 Envisaged water restrictions or load shedding when applicable; and

10.3.9.3 Actual revenue collected in previous financial years.

10.3.10 Refuse removal services:-

10.3.10.1 The actual number of erven receiving the service per category; and

10.3.10.2 Actual revenue collected in previous financial years.

10.3.11 Sewerage services:-

10.3.11.1 The actual number of erven receiving the service per category and the consumption trends per category; and

10.3.11.2 Actual revenue collected in previous financial years.

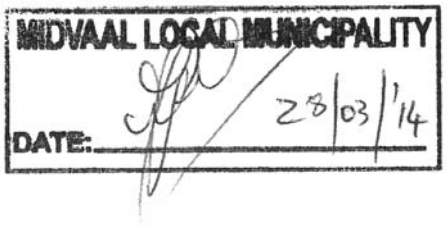
10.3.12 Rebates, exemptions or reductions for service charges are budgeted either as revenue foregone or as a grant as per MFMA Budget Circular 51 depending on the conditions thereof;

10.3.13 Other projected revenue is charged in terms of the approved sundry tariffs and fines considering the past trends and growth for each category.

10.3.14 Provision for revenue that will not be collected is made against the expenditure item debt impairment and is based on actual collection levels for the previous financial year and the latest projected annual non-payment rate.

10.3.15 Transfers from the accumulated surplus to fund operating expenditure will only be allowed for specific once-off projects and with no recurring operating expenditure resulting thereof.

10.3.16 Interest received from actual long-term and or short-term investments are based on the amount reasonably expected to be earned on cash amounts available during the year according to the expected interest rate trends.

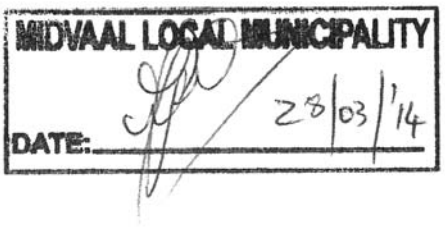


10.3.17 Depreciation charges are fully budgeted for according to the asset register and to limit the impact of the implementation of Asset Related GRAP Standards a transfer is made from the accumulated surplus.

10.3.18 A detailed salary budget is compiled on an annual basis. All funded positions are budgeted for in total and new and/or funded vacant positions are budgeted for nine (9) months only of the total package considering the time for the recruitment process.

10.3.19 To ensure the health of the municipal asset base, sufficient provision must be made for the maintenance of existing and infrastructure assets based on affordable levels as maintenance budgets are normally lower than the recommended levels. As a guiding principle repair and maintenance should constitute at least between 8 and 10% of total operating expenditure and should annually be increased incrementally until the required targets are achieved.

10.3.20 Individual expenditure line items are to be revised each year when compiling the budget to ensure proper control over operating expenditure. Increases for these line items must be linked to the average inflation rate and macro-economic indicators unless a signed agreement or contract stipulates otherwise.



11. FUNDING THE CAPITAL BUDGET

11.1 The municipality's objective is to maintain, through proper maintenance and replacement measures, existing levels of service and to improve and implement services which are neglected or non – existent. In order to achieve this objective the municipality must annually, within financial means, budget for the replacement of redundant assets as well as new assets. The capital budget provides funding for the Municipality's capital programme based on the needs and objectives as identified by the community through the Integrated Development Plan and provides for the eradication of infrastructural backlogs, renewal and upgrading of existing infrastructure, new developments and enlargement of bulk infrastructure. Provisions on the capital budget will be limited to availability of sources of funding and affordability. The main sources of funding for capital expenditure are:-

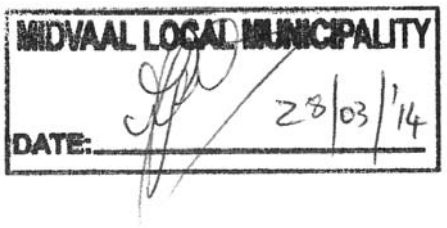
11.1.1 Cash backed accumulated surpluses;

11.1.2 Borrowings;

11.1.3 Government grants and subsidies;

11.1.4 Public donations and contributions; and

11.1.5 Operating revenue.



11.2 The following guiding principles apply when considering sources of funding for the capital budget:-

11.2.1 Government grants and subsidies:-

11.2.1.1 Only gazette allocations or transfers as reflected in the Division of Revenue Act or allocations as per Provincial Gazettes may be used to fund projects;

11.2.1.2 The conditions of the specific grant must be taken into consideration when allocated to a specific project; and

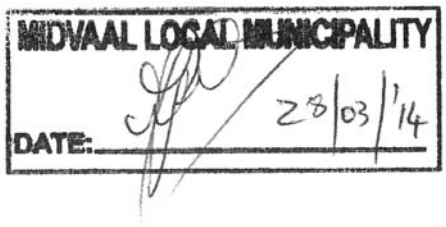
11.2.1.3 Government grants and subsidies allocated to specific capital projects are provided for on the relevant department's operating budget to the extent that the conditions will be met during the financial year.

11.2.2 In the case of public contributions, donations and/or other grants, such capital projects may only be included in the annual budget if the funding is guaranteed by means of:-

11.2.2.1 A signed service level agreement;

11.2.2.2 A contract or written confirmation; and/or

11.2.2.3 Any other legally binding document.



11.2.3 Public donations, contributions and other grants are provided for on the relevant department's operating budget to the extent that the conditions will be met during the financial year.

11.2.4 The borrowing requirements as contained in the borrowing policy are used as a basis to determine the affordability of external loans over the Medium Term Revenue and Expenditure Framework. The ratios to be considered to take up new borrowings include:-

11.2.4.1 long-term debt to revenue (excluding grants) not to exceed 40%;

11.2.4.2 payment rate of above 90%;

11.2.4.3 percentage of capital charges to operating expenditure less than 15% (Interest and redemption).

11.2.5 Allocations to capital projects from cash backed accumulated surpluses will be based on the available funding for each ring-fenced reserve according to the conditions of each reserve as follows:-

11.2.5.1 Infrastructure projects to service new developments and the revenue received through the sale of erven must be allocated to the capital reserve for services; (to be considered)

11.2.5.2 Capital projects of a smaller nature such as office equipment, furniture, plant and

equipment etc. must be funded from own generated revenue from the operating budget for that specific year;

11.2.5.3 Capital projects to replace and/or upgrade existing assets will be allocated to the capital replacement reserve; (to be considered)

11.2.5.4 Capital projects to upgrade bulk services will be allocated to the capital bulk contributions reserve for each service. (to be considered)

11.2.6 All capital projects have an effect on future operating budgets. The following cost factors should therefore be considered before approval:-

11.2.6.1 Additional personnel cost to staff new facilities once operational;

11.2.6.2 Additional contracted services, such as security, cleaning etc.

11.2.6.3 Additional general expenditure, such as services cost, stationery, telephones, material etc.

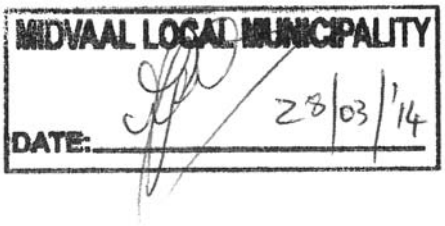
11.2.6.4 Additional other capital requirements to operate the facility, such as vehicles, plant and equipment, furniture and office equipment etc.

11.2.6.5 Additional costs to maintain the assets;

11.2.6.6 Additional interest and redemption in the case of borrowings;

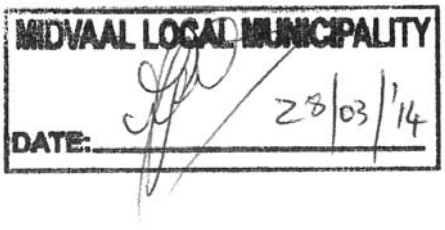
11.2.6.7 Additional depreciation charges;

11.2.6.8 Additional revenue generation. The impact of expenditure items must be offset by additional revenue generated to determine the real impact on tariffs.



All Reserves are “ring fenced” as internal reserves within the accumulated surplus, except for provisions as allowed by the General Recognised Accounting Practices (GRAP).

The following ring fenced reserves exist:-

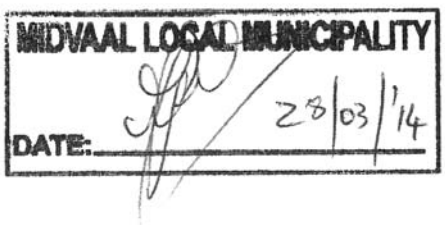


12. CAPITAL REPLACEMENT RESERVE

Funding for capital budgets of future financial years are generated through contributions from the operating budget. Once the Municipality has reached its maximum gearing ability no further borrowings can be taken up. This necessitates that the Municipality also invests in a capital replacement reserve. However, it must be cash backed.

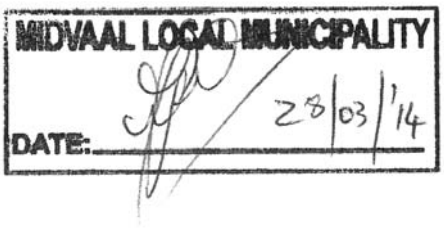
This reserve once fully established will enable the Municipality to provide internal funding for its capital replacement and renewal programme. Other contributions to the capital replacement reserve through the operating budget may include interest received on investments.

This reserve must be cash backed at all times to ensure the availability of cash to fund the municipal capital programme.



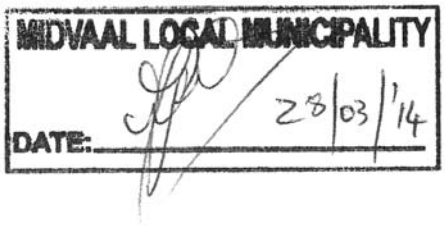
13. ASSET FAIR VALUE RESERVE

The Asset Fair Value Reserve is created through the transfer of the increase in the carrying value of Property, Plant and Equipment identified through the adoption of GRAP17. This is an accounting concept and the reserve does not represent a cash reserve in the true sense. The reserve cannot be utilised for any other purpose than the accumulation of the increase in carrying value, or offsetting of a decrease in carrying value of Property, Plant and Equipment. The reserve and accounting treatment thereof is governed by GRAP 17.



14. PUBLIC CONTRIBUTIONS RESERVE

Bulk contributions changed to developers in terms of Councils Bulk Contributions Policy are ring-fenced and must be kept in cash. The reserve can only be utilised for the funding of capital infrastructure and in accordance with Council's approved Capital Budget.



PROVISIONS

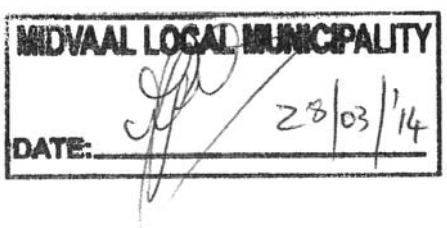
A provision is recognised when the municipality has a present obligation as a result of a past event and it is probable, more likely than not, that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are revised annually and those estimates to be settled within the next twelve (12) months are treated as current liabilities.

The municipality has the following provisions:

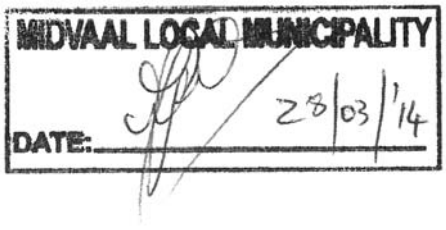
15. LEAVE PROVISION / ACCRUAL

Liabilities for annual leave are recognised as they accrue to employees. An annual provision is made from the operating budget to the leave provision.



16. LANDFILL REHABILITATION PROVISION

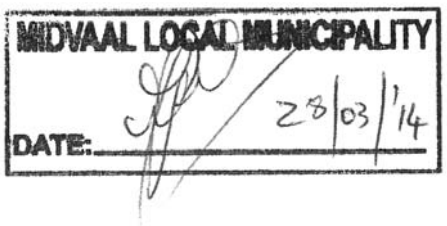
The landfill site rehabilitation provision is created for the current operational site at the future estimated time of closure. The value of the provision is based on the expected future cost to rehabilitate the landfill site. This provision must be cash backed at 75% to ensure availability of cash for rehabilitation on closure.



17. PROVISION FOR LONG SERVICE AWARDS

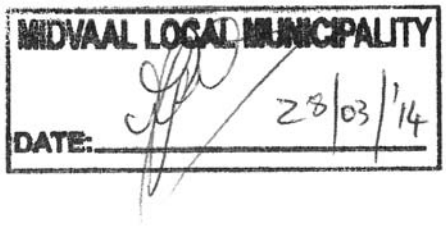
Municipal employees are awarded leave days according to years in service at year end. Due to the fact that not all long service leave balances are redeemed for cash, only 75% of the long service leave provision is cash backed.

Long service awards can be encashed at the discretion of the Municipal Manager and will be subject to the cash flow position of Council.



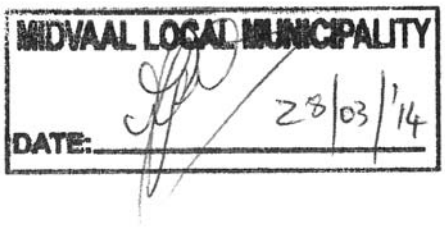
18. PROVISION FOR POST EMPLOYMENT MEDICAL BENEFITS

The municipality provides retirement medical care benefits by subsidizing the medical aid contributions to retired employees and their legitimate spouses. The entitlement to retirement medical benefits is based on employees remaining in service up to retirement age and the completion of a minimum service period. The expected cost of these benefits is accrued over a period of employment.



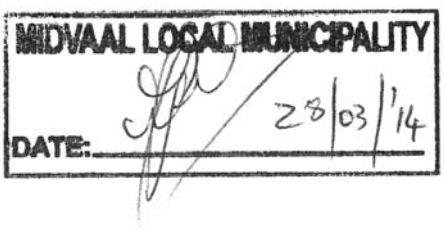
19. OTHER ITEMS TO BE CASH BACKED

The Cash Management Policy also specifies certain other items (in addition to fund and reserves) that must be cash backed.



20. POLICY IMPLEMENTATION

The policy will be effective as from 1 July 2014.



MIDVAAL
LOCAL MUNICIPALITY

MUNICIPAL SUPPLY CHAIN MANAGEMENT

POLICY AND PROCEDURES

MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/'14

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CHAPTER 2

SUPPLY CHAIN MANAGEMENT SYSTEM

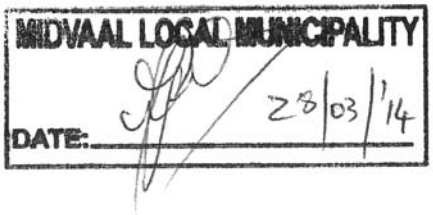
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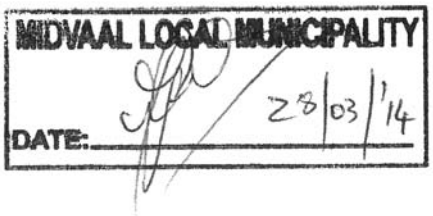
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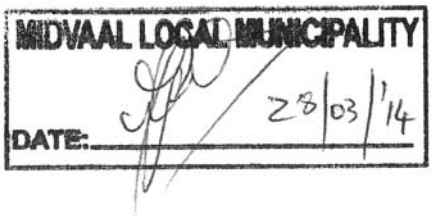


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1. DEFINITIONS

In this policy, unless the context otherwise indicates, a word or expression to which a meaning has been assigned in the Act has the same meaning as in the Act, and –

"Competitive bidding process" means a competitive bidding process referred to in Section 12.1 (1) (d) to (e) of this policy;

"Competitive bid" means a bid in terms of a competitive bidding process;

"CIDB" means Construction Industry Development Board Act, Act 38 of 2000;

"Final award", in relation to bids or quotations submitted for a contract, means the final decision on which bid or quote to accept;

"Formal written price quotation" means quotations referred to in Section 12.1 (1) (a) to (c) of this policy;

"In the service of the state" means to be –

(a) a member of –

(i) any municipal council;

(ii) any provincial legislature; or

(iii) the National Assembly or the National Council of Provinces;

(b) a member of the board of directors of any municipal entity;

(c) an official of any municipality or municipal entity;

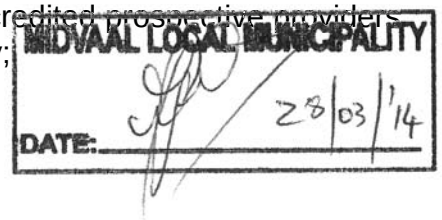
(d) an employee of any national or provincial department, national or provincial public entity or constitutional institution within the meaning of Public Finance Management Act, 1999 (Act no. 1 of 1999);

(e) a member of the accounting authority or any national or provincial public entity; or

(f) an employee of Parliament or a provincial legislature;

"Long term contract" means a contract with a duration period exceeding one year;

"List of accredited prospective providers" means the list of accredited prospective providers which a Municipality must keep in terms of Section 14 of this policy;



"Database of restricted bidders" means the database of bidders restricted from doing business with a Municipality as set out in paragraph 53 of this policy as defined in Circulars 43, 46, 52 and 56 of National Treasury.
"Other applicable legislation" means any other legislation applicable to the municipal Supply Chain Management, including but not limited to –

(a) the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000), the PPPFA regulations and all amendments;

(b) The Broad Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003), the regulations and all amendments; and

(c) The Construction Industry Development Board Act, 2000 (Act No. 38 of 2000), the regulations and all amendments.

(d) The Prevention and Combating of of Corrupt Activities Act, 2004 (Act No. 12 of 2003), the regulations and all amendments.

(e) The Competition Act, 1998 (Act 89 of 1998), the regulations and all amendments.

"Petty Cash", means a small amount of cash kept on hand for incidental purchases of low value goods and services (i.e. postage, office suppliers, reimbursement out-of-pocket expenditures), which cannot be accommodated through other purchasing procedures. Petty cash may not be used for payroll payments, inventory, capital goods, entertainment expense, travel expenses and other personal obligations.

"Single source": refers to when the competition exist in the market, but from a selected few suppliers due to technical capabilities and abilities comply with the requirements of the municipality.

"Sole Supplier:" It refers in instances where there is no competition and only one service provider exist in the market, with sole distribution rights and/or patent rights or manufacturer.

" Strip & quote:" When the repairs and maintenance on our machines, vehicles are done by one supplier and/or strip-and-quote, for example a municipal vehicle enters the workshop that needs repairs, however to do the repairs, the vehicle has to be send to a supplier that determines what repairs 6 should be done.

"Treasury guidelines" means any guidelines on supply chain management issued by the Minister in terms of section 168 of the Act;

"The Act" means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);

"The Regulations" means the Local Government: Municipal Finance Management Act, 2003, Municipal Supply Chain Management Regulations published by Government Notice 868 of 2005 and all amendments;

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“Written or verbal quotations” means quotations referred to in paragraph 12(1)(b) of this Policy.

“The Council” means the Midvaal Local Municipality abbreviated to MLM.

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CHAPTER 1

IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT POLICY

2. Supply chain management policy

(1) All officials and other role players in the supply chain management system of the Midvaal Local Municipality must implement this Policy in a way that –

(a) gives effect to –

(i) section 217 of the Constitution; and
(ii) Part 1 of Chapter 11 and other applicable provisions of the Act;

(b) is fair, equitable, transparent, competitive and cost effective;

(c) complies with –

(i) the Regulations; and
(ii) any minimum norms and standards that may be prescribed in terms of section 168 of the Act;

(d) is consistent with other applicable legislation;

(e) does not undermine the objective for uniformity in supply chain management systems between organs of state in all spheres; and

(f) is consistent with national economic policy concerning the promotion of investments and doing business with the public sector.

(2) This Policy applies when the Midvaal Local Municipality –

(a) procures goods or services;
(b) disposes goods no longer needed;
(c) selects contractors to provide assistance in the provision of municipal services otherwise than in circumstances where Chapter 8 of the Municipal Systems Act applies; or
(d) selects external mechanisms referred to in section 80 (1) (b) of the Municipal Systems Act for the provision of municipal services in circumstances contemplated in section 83 of that Act.

(3) This Policy, except where provided otherwise, does not apply in respect of the procurement of goods and services contemplated in section 110(2) of the Act, including:

(a) water from the Department of Water Affairs or a public entity, another municipality or a municipal entity; and

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(b) electricity from Eskom or another public entity, another municipality or a municipal entity.

3. Amendment of the supply chain management policy

(1) The accounting officer must –

(a) at least annually review the implementation of this Policy; and

(b) when the accounting officer considers it necessary, submit proposals for the amendment of this Policy to the **council**

(2) If the accounting officer submits proposed amendments to the **council** that differ from the model policy issued by the National Treasury, the accounting officer must –

(a) ensure that such proposed amendments comply with the Regulations; and
(b) report any deviation from the model policy to the National Treasury and the relevant provincial treasury.

(3) When amending this supply chain management policy the need for uniformity in supply chain practices, procedures and forms between organs of state in all spheres, particularly to promote accessibility of supply chain management systems for small businesses must be taken into account.

4. Delegation of supply chain management powers and duties

(1) The **council** hereby delegates all powers and duties to the accounting officer which are necessary to enable the accounting officer –

(a) to discharge the supply chain management responsibilities conferred on accounting officers in terms of –

(i) Chapter 8 or 10 of the Act; and
(ii) this Policy;

(b) to maximise administrative and operational efficiency in the implementation of this Policy;

(c) to enforce reasonable cost-effective measures for the prevention of fraud, corruption, favouritism and unfair and irregular practices in the implementation of this Policy; and

(d) to comply with his or her responsibilities in terms of section 115 and other applicable provisions of the Act.

(2) Sections 79 and 106 of the Act apply to the sub-delegation of powers and duties delegated to an accounting officer in terms of subparagraph (1).

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(3) The accounting officer may not sub-delegate any supply chain management powers or duties to a person who is not an official of the Midvaal Local Municipality or to a committee which is not exclusively composed of officials of the Midvaal Local Municipality;

(4) This paragraph may not be read as permitting an official to whom the power to make final awards has been delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in paragraph 26 of this Policy.

5. Sub-delegations

(1) The accounting officer may in terms of section 79 or 106 of the Act sub-delegate any supply chain management powers and duties, including those delegated to the accounting officer in terms of this Policy, but any such sub-delegation must be consistent with subparagraph (2) of this paragraph, paragraph 4 of this Policy and as set out in the Systems of Delegations of Executive Director: Financial Services.

(2) The Municipal Manager hereby sub-delegates the following and gives power to make a final award -

(a) above R10 million (VAT included) may not be sub-delegated and is thus to be awarded by the Accounting Officer only;

(b) above R200 000-00 (VAT included), but not exceeding R10 million (VAT included), is hereby sub-delegated to –

(i) The Chief Financial Officer and/or

(ii) The bid adjudication committee (as comprised below) of which the chief financial officer or a senior manager is a member consisting of the following Executive Directors or persons acting in their stead:

- Executive Director: Financial Services
- Executive Director: Community Services
- Executive Director: Corporate Services
- Executive Director: Protection Services
- Executive Director: Engineering Services
- Executive Director: Development & Planning
- Executive Director: Management Services

(c) not exceeding R200 000-00 (VAT inclusive) is hereby sub-delegated as follows –

(i) The Chief Financial Officer to approve acquisitions between R30 000 and R200 000 vat inclusive;

(ii) The following is sub-delegated by the CFO to a manager directly accountable to the Chief Financial Officer:

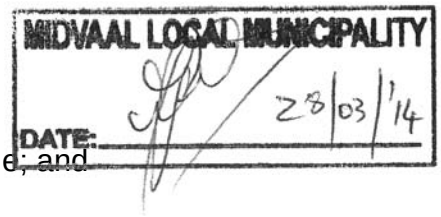
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(a) The Deputy Chief Financial Officer to approve acquisitions between R2 000 and R30 000 (vat inclusive);

(b) The Director: Expenditure to approve acquisitions between R500 and R2 000 (vat inclusive);

(c) The Assistant Director: Expenditure to approve acquisitions between R0 and R500 (vat inclusive).

(3) The bid adjudication committee to which the power to make final awards has been sub-delegated in accordance with subparagraph (2) (b) must within ten days of the end of each month submit to the official referred to in subparagraph (4) a written report containing particulars of each final award made by such committee during that month, including:



- the amount of the award;
- the name of the person to whom the award was made; and
- the reason why the award was made to that person.

(4) A written report referred to in subparagraph 2 (b) (ii) must be submitted –

(a) to the accounting officer, in the case of an award by –

(i) the chief financial officer;

(ii) a bid adjudication committee of which the chief financial officer or a senior manager is a member; or

(b) to the chief financial officer or the senior manager responsible for the relevant bid, in the case of an award by –

(i) a manager referred to in subparagraph (2)(c)(ii); or

(ii) a bid adjudication committee of which the chief financial officer or a senior manager is not a member.

(5) Subparagraphs (3) and (4) of this policy do not apply to procurements out of petty cash.

(6) This paragraph may not be interpreted as permitting an official to whom the power to make final awards has been sub-delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in paragraph 26 of this Policy.

(7) No supply chain management decision-making powers may be delegated to an advisor or consultant. Advisors and Consultants may attend bid specifications and bid

evaluation committees in their professional capacity and limited to consultants appointed by council as principle agents, who were either involved with drafting of specifications and technical evaluation of bids under their supervision as per their appointment. Both Bid Specifications and Bid Evaluation Committees **do not** have decision-making or award powers only recommendation powers.

6. Oversight role of council

(1) The council reserves its right to maintain oversight over the implementation of this Policy.

(2) For the purposes of such oversight the accounting officer of MLM must:

(a) (I) Within 30 days of the end of each financial year, submit a report on the implementation of this Policy and the supply chain management policy of any municipal entity under the sole or shared control of MLM, to the council of the Midvaal Local Municipality; and

(ii) whenever there are serious and material problems in the implementation of this Policy, immediately submit a report **to the council**.

(3) The accounting officer must, within 10 days of the end of each quarter, submit a report on the implementation of the supply chain management policy to the **mayor.**

(4) The reports must be made public in accordance with section 21A of the Municipal Systems Act.

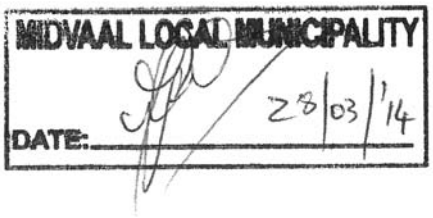
7. Supply chain management unit

(1) A supply chain management unit is hereby established to implement this Policy.

(2) The supply chain management unit operates under the direct supervision of the Chief Financial Officer or an official to whom this duty has been delegated in terms of section 82 of the Act.

8. Training of supply chain management officials

The training of officials involved in implementing this Policy should be in accordance with national Treasury: Local Government: Municipal Finance Management Act: Municipal Regulations on Minimum Competency Levels dated 15/06/2007 and any other Treasury guidelines on supply chain management training.



CHAPTER 2

SUPPLY CHAIN MANAGEMENT SYSTEM

9. Format of supply chain management system

This Policy provides systems for –

(i) demand management;

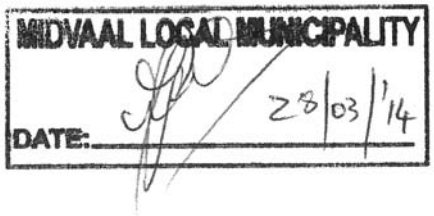
(ii) acquisition management;

(ii) logistics management;

(iv) disposal management;

(v) risk management; and

(vi) performance management.



PART 1: DEMAND MANAGEMENT

10. System of demand management

(1) The accounting officer must establish and implement an appropriate demand management system in order to ensure that the resources required by the **Midvaal Local Municipality** support its operational commitments and its strategic goals outlined in the Integrated Development Plan. This section must be read with Circular 1 of 2014 issued by Gauteng Provincial Treasury dated 03/01/2014.

(2) The demand management system must –

(a) include timely planning and management processes to ensure that all goods and services required by the **Midvaal Local Municipality** are quantified, budgeted for and timely and effectively delivered at the right locations and at the critical delivery dates, and are of the appropriate quality and quantity at a fair cost;

(b) take into account any benefits of economies of scale that may be derived in the case of acquisitions of a repetitive nature (such as long term contracts); and

(c) provide for the compilation of the required specifications to ensure that its needs are met;

(d) Take into account past spending analysis;

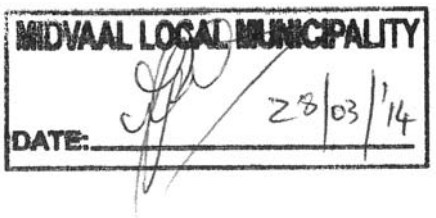
(e) undertake appropriate industry analysis and research to ensure that innovations and technological benefits are maximised to the extent appropriate and within the available resources.

(3) Request to proceed with the supply chain process:

The end user to submit the fully completed and signed request ***(Annexure "A")*** for bid process to the SCM unit to proceed with the relevant supply chain process to procure the required goods and services.

The specifications must be compiled as follows:

- Background why and how the goods and/or services required will be utilised (e.g. service delivery, legal compliancy, etc);
- Cost estimate of goods and services required based on actual market research and /or breakdown of services based on e.g. labour, fuel, travel, insurance, etc.
- Budget and funding sources be confirmed;
- Proposed cash flow expenditure over the term of contract;
- Technical requirements including methodology, scope of works, unit of measures and minimum requirements;



PART 2: ACQUISITION MANAGEMENT

11. System of acquisition management

(1) The accounting officer must implement the system of acquisition management set out in this Part in order to ensure –

(a) that goods and services are procured by the **Midvaal Local Municipality** in accordance with authorised processes only;

(b) that expenditure on goods and services is incurred in terms of an approved budget in terms of section 15 of the Act;

(c) that the threshold values for the different procurement processes are complied with;

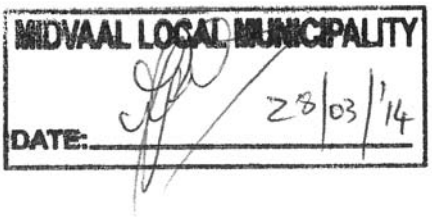
(d) that bid documentation, evaluation and adjudication criteria, and general conditions of a contract, are in accordance with any applicable legislation; and

(e) that any Treasury guidelines (as per the circulars issued) on acquisition management are properly taken into account.

(2) When procuring goods or services contemplated in section 110(2) of the Act, the accounting officer must make public on the website the fact that such goods or services are procured otherwise than through the **Midvaal Local Municipality**'s supply chain management system, including –

(a) the kind of goods or services; and

(b) the name of the supplier.



12. Range of procurement processes

12.1 Goods and services may only be procured by way of –

(a) One written quotation for petty cash purchases, up to a transaction value of R500-00 (vat inclusive) per case. A valid tax invoice or cash slip must be handed in within 2 (two) days.

(b) One written quotation for procurement of a transaction value over R500-01 up to R2 000-00 (vat inclusive);

(c) 3 written quotations for procurement of a transaction value over R2 000-01 up to R30 000-00 (vat inclusive);

(d) Competitive 7 – day bidding process for procurement of a transaction value over R30 000-01 up to R200 000-00 (vat inclusive); and

(e) a formal competitive bidding process for–

(i) procurement above a transaction value of R200 000-01 (VAT included); and

(ii) the procurement of long term contracts.

12.2 THE ACCOUNTING OFFICER MAY, IN WRITING-

(a) Lower, but not increase, the different threshold values specified in subparagraph (12.1); or

(b) Direct that –

(i) written or verbal quotations be obtained for any specific procurement of a transaction value lower than R2 000;

(ii) formal written price quotations be obtained for any specific procurement of a transaction value lower than R30 000; or

(iii) a competitive bidding process be followed for any specific procurement of a transaction value lower than R200 000.

12.3 THE FOLLOWING THRESHOLD VALUES FOR PROCUREMENT OF PURCHASES BETWEEN R0-01 TO R200 000-00 IS HEREBY ADOPTED BY MIDVAAL LOCAL MUNICIPALITY AND IS TO BE ADHERED TO AT ALL TIMES:

Purchases for amounts between R0-01 and R500-00 (per request)

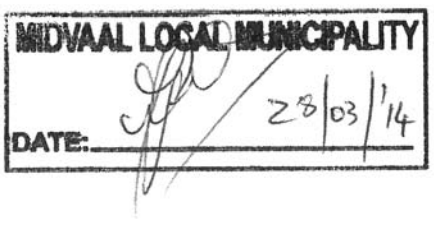
A petty cash voucher is completed and authorised by the HOD and CFO/delegate. A valid tax invoice or cash slip must be handed in within 2 days to prevent money from being deducted from salary.

Purchases for amounts between R500-01 and R2 000-00

A minimum of 1 written quote is required. Official general requisitions are to be authorized by the Head of Department and CFO/delegate. An order is placed against written confirmation from the selected supplier by the SCMU.

Purchases for amounts between R2 000-01 and R30 000-00

Three written quotes will be required. Official general requisitions are to be authorized by the Head of Department and CFO/delegate. An order is placed against written confirmation from the selected supplier by the SCMU.



Purchases for amounts between R30 000-01 and R200 000-00

The SCM Unit must ensure that the competitive 7-day bid process is followed in accordance with the Preferential Procurement Policy Framework Act 5 of 2000, its regulations and amendments for purchases in this range as well as the CIDB regulations where required. An invite to quote for goods and services is placed on the website and notice boards for 7 days.

Detailed specifications need to be signed off prior to placement of ad at an informal specifications committee meeting.

The submitted bids will be commercially evaluated on receipt thereof at the time and date of closing by the SMC unit and the relevant members who approved the specifications including the end user department /requestor are invited for the technical perusal and inspection (where required) in collaboration with the other departments (where applicable).

The informal evaluation committee to take minutes and submit an approval memo under the signature of the end user department HOD to the CFO for approval and printing of an order to be signed off by the HOD and CFO or an appointment letter to be signed off by the HOD and CFO.

Purchases for amounts above R200 000-01

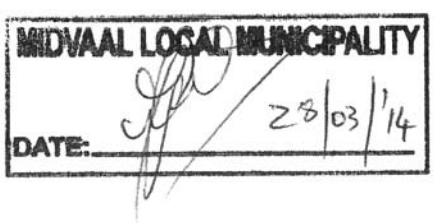
The formal bid process must be followed in accordance with the Preferential Procurement Policy Framework Act 5 of 2000, its regulations and its amendments as well as the CIDB regulations where required. Detailed specifications need to be signed off prior to placement of ad at a formal specifications committee meeting as appointed by the Accounting Officer.

The submitted bids will be commercially evaluated on receipt thereof at the time and date of closing by the SMC unit and the bids will be evaluated, conduct site inspections (where required) in collaboration with the other departments (where applicable) by the members who approved the specifications and a representative from the Supply Chain Management Unit.

A recommendation is formalised at the bid evaluation meeting and SCM will table the agenda report to the Bid Adjudication Committee for approval. The SCM unit will print an order to be signed off by the HOD and CFO/delegate or compile the appointment letter to be signed off by the HOD and CFO on approval of the bid committee.

COMPLIANCE WITH RELATED POLICIES:

All purchases of goods and services as sset out in the Range of procurement processes are required to follow the processes and procedures as set out in the "***COMMODITY/SECTOR BASED PROCUREMENT POLICY"*** within the time frame as set out in the "***SCM PROCESS TURN-AROUND TIME POLICY".***



12.4 SUNDRY PAYMENTS

The following line items are not required to be procured through the SCM process.

The end user to complete and submit the sundry documents with the original invoice to the SCM unit to check for legal compliancy:

- Audit fees;
- Bank Charges;
- Bursaries and student practical work;
- Election Activities
- Compensation for injuries and diseases;
- Legal expenses (outside the formal bid process – limited to ad hoc services)
- Congresses/Prof meetings (S & T);
- License fees;
- Donations/grants by Council;
- Postage;
- Entertainment; Finance – cash collection;
- Mayoral donations;
- Medical expenses not on contract;
- Membership fees;
- Telecommunications (Telkom)
- Nutritional care;
- Reference books and magazines;
- Insurance claims;
- Ward committee allowances;
- Randwater,
- Inter-departmental charges
- Eskom,
- All employee/Councillors related costs;
- Debit orders;
- Purchase of specialised Library equipment & books;

NB. Even though the abovementioned services do not follow formal bid process, a Service Level Agreement or contract must be in place for each service mentioned where applicable.

- Fixed term service contracts appointed through the formal bid process where it is difficult to identify beforehand what the total quantity of work will be done on sundry payments (e.g. maintenance of tarred roads, vacuum tank services, Maintenance of sewer pipelines, etc.) clearly marked with the bid number.

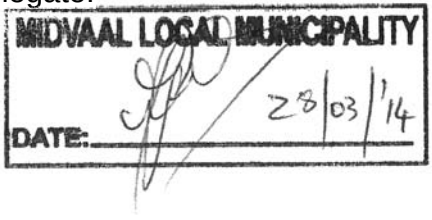
- Purchases less than R2 000-00 (vat inclusive) for emergency situations may be sourced directly from vendors listed on Midvaal's accredited data list and paid by Sundry payment with the approval of the HOD and CFO/Director: Expenditure.

All the above requests must be signed by the requestor, the HOD and CFO/delegate.

All other fixed contracts and items not on contract must follow the relevant SCM processes and systems.

No orders will be amended to include extra work not authorised through the correct processes and therefore the orders will not be cancelled to accommodate such work or payments.

Any additional work/services must be requested through the correct SCM process and a new order be printed for approval by the HOD and CFO/delegate.



All printed orders except for the IT orders are to be collected from the SCM office on a daily basis.

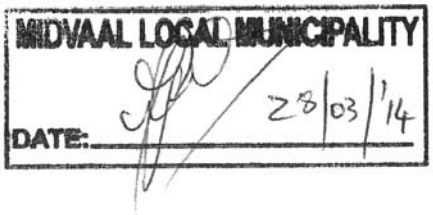
12.5 SPLITTING OF WORKS/SERVICES

NB! Goods or services may not deliberately be split into parts or items of a lesser value merely to avoid complying with the requirements of the policy. When determining transaction values, a requirement for goods or services consisting of different parts or items must, as far as possible, be treated and dealt with as a single transaction.

12.6 EMERGENCY/AFTER HOUR SERVICES

Any works or services procured after hours or during an emergency situation as defined in the MFMA, may be paid on a Sundry Payment request and the following to be attached:

- The original tax invoice
- The fully completed and signed ex post facto forms as set out hereunder.



IRREGULAR ACTIONS (EX POST FACTO APPROVAL) AND EMERGENCY SERVICES POLICY AND PROCEDURES

(8/1/P)

Section 36 of the Supply Chain Management Regulations (Gazette 27636, 30 May 2005) – Deviation from, and ratification of minor breaches of, procurement process reads as follows:

"The accounting officer may –

(a) Dispense with the official procurement processes established by this Policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –

(i) in an emergency;

(ii) if such goods or services are produced or available from a single provider only;

(iii) for the acquisition of special works of art or historical objects where specifications are difficult to compile;

(iv) acquisition of animals for zoos and/or nature and game reserves; or

(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes; and

(b) ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature.

(2) The accounting officer must record the reasons for any deviations in terms of subparagraphs (1)(a) and (b) of this policy and report them to the next meeting of the council and include as a note to the annual financial statements.

(3) Subparagraph (2) does not apply to the procurement of goods and services contemplated in paragraph 11(2) of this policy."

To comply with these regulations it is necessary to put a process in place for purchases where it is impractical to follow the formal bid process for emergency cases.

The Executive Director and Municipal Manager may approve any action of an end-user within the power conferred upon them by the Council ***ex post facto***, provided that the they are satisfied that such action of the end-user took place in circumstances of emergency or otherwise was in the best interest of the state.

It must also be done without negligence, provided that the Council has not suffered any damage as a result thereof.

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The CFO and MM, as delegated, may approve, *ex post facto (approval after the time),* any action of an end-user if they are satisfied about the following:

i) As a result of circumstances which could not be foreseen, immediate action was needed in order to relieve, prevent, or to stem a dangerous or perilous condition, misery, defect or damage which might have been or was brought about as a result of this condition; or

ii) Where such action of the end-user was of such urgency in order to obtain, gain or to promote a financial or material advantage for the Council, that time did not allow for the use of the services of the Supply Chain Management, or prior approval from the bidding committee.

Where a lack of action could have harmed the esteem or image of the Council, provided that the bidding committee is satisfied with the following:

- That the action did not originate as a result of negligence;
- That the action was taken with care and conforms with what is expected from a reasonable person, and
- That no fruitless expenditure was incurred as a result of the action.

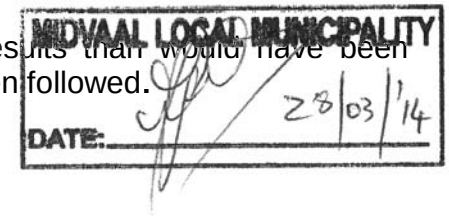
When irregular action that has resulted in the conclusion of a contract is submitted for consideration, the following must be indicated:

i) In respect of cases where emergency is pleaded:

- An indication of the circumstances which could not be foreseen;
- An outline of the specific dangerous or perilous conditions, misery or defect that occurred as a result thereof or the damage it could have brought about;
- What was aimed at with the action in order to relieve, stem and/or prevent the condition; and
- Proof to the effect that, seen in retrospect, what the actual result of the action was with regard to the appointed goal.

ii) In cases where best interest is pleaded, the following must be fully motivated:

- The reason for urgent action;
- The negative result that could have occurred if prescribed bidding procedures were taken a comparison of the result that was brought about by the action; and
- Whether the unauthorised action yielded better results than would have been yielded if the prescribed bidding procedures had been followed.



iii) In respect of both emergency and best interest:

- The exact detail of time and timescale applicable at the time of action;
- What attempts were made to obtain prior authorisation from the bidding committee;
- The manner of handling invitation of price quotation and/or bids, placement of order and payment;
- The conditions which were applicable; and how the price analysis and comparison with normal price was made.

In order to facilitate the consideration of applications, all applications for ***ex post facto*** approval in cases of emergency or in the best interest of the Council must be submitted on ***forms A, B and C*** which are attached as ***Annexure B***.

When it is obvious that an unauthorised action did not comply with the requirements for ***ex post facto*** approval e.g. when damage or loss is present or loss is present

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12.7 C.O.F AND STRIP & QUOTES ON PLANT AND EQUIPMENT (INCLUDING ELECTRICAL EQUIPMENT) FOR REPAIRS AND MAINTENANCE:

The mechanical workshop and or other departmental representative authorised in writing by the Accounting Officer, may rotate COF and strip and quotes on vehicle, plant and equipment for repairs and maintenance jobs amongst the accredited service providers listed on the data base using the rotation basis. The SCM unit can be contacted directly to access the rotation register that is maintained on a continuous basis.

The mechanical workshop and or other departmental representative authorised in writing by the Accounting Officer, may source the quotations and request an order following the SCM process for approval by the relevant HOD. The representatives are responsible to collect the order from Finance and give directly to the company for the repairs and maintenance. The invoices will be signed off after inspection of the repairs and maintenance to vehicles, plant and equipment by the MLM representatives and relevant HOD.

12.8 STOCK ON HAND

- That small amounts of cable required as a once-off be purchased on an as and when required basis following a closed 7 day process whereby the accredited vendors on MLM database is invited to submit a tender for these items.

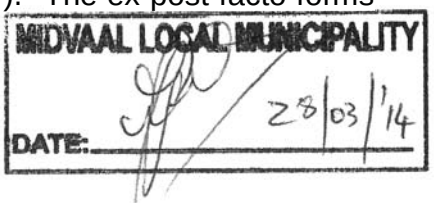
- Electrical, water and sewer items currently in stock be kept to a minimum for emergency purposes;

- All fixed contract items on a three year contract with directory numbers, be collected by delegated persons within the electrical, water and sewer departments on an as and when required basis from the suppliers that were appointed as “stores” with 24 hour access. The delegated persons may pick up the required bid contract items directly from the appointed bidders by producing a works order request as referred to in the MLM Stores Management Policy attached hereto signed by the Supervisor in terms of delegated authority, to the supplier and upon receipt, collect the original tax invoice. The collecting person is required to write their name, surname, contact number, date and signature on the delivery note and invoice.

- Same process to be followed for emergency after hour collections restricted to the Directory items on fixed contract.

- The sundry payment requests and invoices are to be signed by the end user and Head of Department and submitted to the Supply Chain Unit who will confirm the items against the contract and capture the purchased items on the Intenda system for record and budget purposes.

- That items not on contract that may be required to complete a call out or emergency situation may be collected from these suppliers holding stores, limited to after hour situations (between 16:01 pm and 07:29 am the following day). The ex-post facto forms to be completed and signed with the sundry payment request.



- That costs incurred for the purchase of non-contract items not following the normal supply chain process during office hours will constitute a breach of procurement processes.

12.9 PURCHASING OF NEW VEHICLES

(i) The end user is responsible to draw up the detailed specification and such specifications for new purchases are to be commented on by all the departments including the fleet co-ordinator in collaboration with the workshop manager.

(ii) New vehicle purchases to be delivered to the mechanical workshop to ensure that all administrative processes are followed (opening of vehicle file, bar coding, logo, licence, etc.) The end user in collaboration with the workshop manager to inspect the vehicles delivered for defects and specification compliance.

(iii) The final acceptance form (available from the fleet coordinator to be signed off by the workshop manager/fleet co-ordinator and head of the end user department.

(iv) If a particular make and model of vehicle has been identified, all suppliers/dealers of such vehicles in the MLM, and if possible and practical also within the district, must be invited to submit a bid.

12.10 CONTRACT MANAGEMENT AND PERFORMANCE MANAGEMENT SYSTEMS

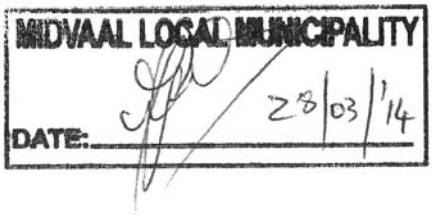
The Accounting Officer hereby delegates all signing of contracts to the Executive Director: Corporate Services and should the ED: Corporate Services not be available to sign the contracts, the Accounting Officer will sign. Contract and project management, acceptance/notification letters and PMS must be implemented by the relevant end user department to conform to procurement process in collaboration with the PM Unit and to comply with Section 116 of the MFMA Act, Act 56 of 2003.

All PMS documents need to be completed and singed in full upon appointment. The PMS must be monitored on the monthly/quarterly basis as set out in the PMS document. Any deviations or non-compliance issues needs to be addressed as set out in the general conditions of contract, special conditions of contract and Section 53 of this policy.

Any deviating suppliers must promptly be reported to the SCM Unit to investigate probable cause to restrict the defaulting bidder to National Treasury.

12.11 EPWP requirements for labour intensive projects

Midvaal LM supports labour intensive construction and other services relating to where physical labour is required. All service providers will be required to maximize the use of local unemployed labour on projects or when supplying or delivering services to MLM. All relevant questionnaires and reports are to be completed in full and submitted as part of the bid documents.



12.11 PURCHASES AND PAYABLES RECORDING FUNCTION

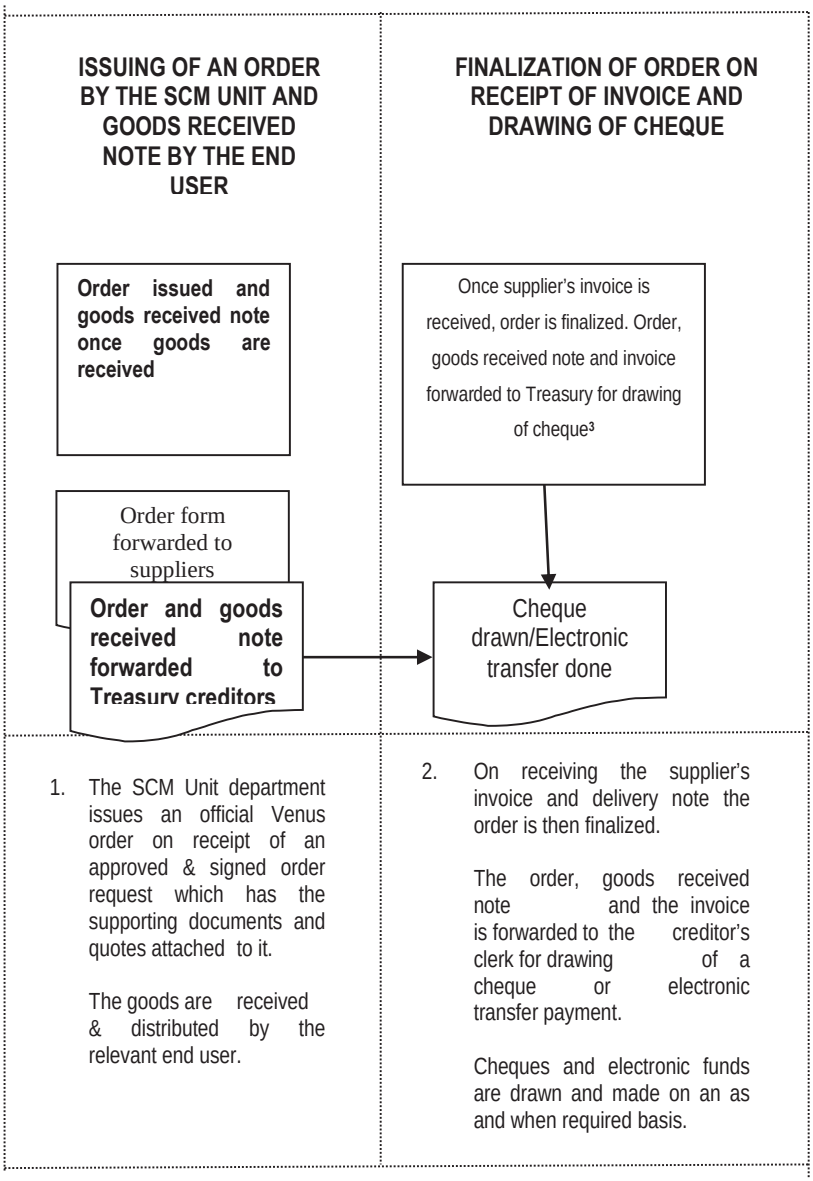
On receipt of a supplier invoice, it is checked with the appropriate goods received note or delivery note for quantity. The clerical accuracy of the invoice must also be checked to prove the accuracy of its total rand amount. The invoice, stamped and initialled as correct, is then filed with the relevant delivery note and order form attached thereto.

No invoices will be entered in the purchases record unless passed as correct as evidenced by the signature of the HOD/SCMU.

The following is a diagrammatic depiction of the requisitioning, ordering, receipt of and payments for goods and services ***(Diagramme 1)***:

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Diagramme 1 **Stores and sundry purchases and payments to suppliers and sundry creditor's flowchart**



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13. General preconditions for consideration of written quotations or bids

A written quotation or bid may not be considered unless the provider who submitted the quotation or bid –

(a) has furnished that provider's –

(i) full name;

(ii) identification number or company or other registration number; and

(iii) tax reference number and VAT registration number, if any;

(b) has authorised the Midvaal Local Municipality to confirm with the South African Revenue Services that the provider's tax matters are in order; and

(c) has indicated –

(i) whether he or she is in the service of the state, or has been in the service of the state in the previous twelve months;

(ii) if the provider is not a natural person, whether any of its directors, managers, principal shareholders or stakeholder is in the service of the state, or has been in the service of the state in the previous twelve months;

(iii) whether a spouse, child or parent of the provider or of a director, manager, shareholder or stakeholder referred to in subparagraph (ii) is in the service of the state, or has been in the service of the state in the previous twelve months; and

(iv) that the bidders rates and taxes are not outstanding longer than 90 days.

14. Lists of accredited prospective providers

14.1 The accounting officer must –

(a) keep a list of accredited prospective providers of goods and services that must be used for the procurement requirements through written or verbal quotations and formal written price quotations; and

(b) at least once a year through newspapers commonly circulating locally, the website and any other appropriate ways, invite prospective providers of goods or services to apply for evaluation and listing as accredited prospective providers;

(c) specify the listing criteria for accredited prospective providers;

(d) disallow the listing of any prospective provider whose name appears on the National Treasury's database as a person prohibited from doing business with the public sector;

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(f) The Municipal Supply Chain Management Regulation 38(1)(c) requires a supply chain management policy to provide measures for combating abuse of the supply chain management system, and must enable the accounting officer to check the National Treasury's database prior to awarding any contract.

This is to ensure that no contract is entered into with a bidder, or any of its directors, listed as a company or person prohibited from doing business with the public sector. This list is also known as the *Database of Restricted Suppliers*.

To this end, a central *Database of Restricted Suppliers* has been established containing details of companies or persons that have been restricted from doing business with the public sector if the company or person obtained preferences fraudulently or failed to perform on a contract.

14.2 The vendor list must be updated at least quarterly to include any additional prospective providers and any new commodities or types of services. Prospective providers must be allowed to submit applications for listing at any time.

14.3 The vendor list must be compiled per commodity and per type of service.

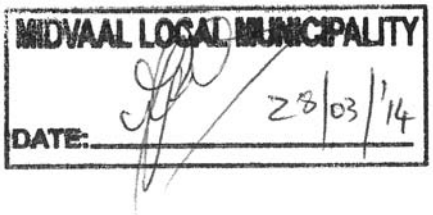
14.4 Any vendor who has been awarded a contract must submit tax clearance certificates, rates and taxes accounts and invoices in the company's name as per the signed contract. Should any company become liquidated or members/owners become insolvent, the contract will be cancelled with that company and a new tender process will be followed.

14.5 <u>Checking the Database of Restricted Suppliers</u>

The Accounting Officer is required to verify the status of the recommended bidders [including their director(s)/owner(s)/trustee(s)] by checking the Database of Restricted Suppliers in order to ensure that no recommended bidders or any of their directors/owners/trustees are listed as companies or persons prohibited from doing business with the public sector, prior to awarding a contract - accessible on www.treasury.gov.za (home page/"database of Restricted Suppliers").

This includes contracts emanating from written price quotations in excess of R10 000, competitive bids and limited bids).

In addition, the Accounting Officer is empowered to restrict companies or persons from doing business with the public sector for a period not exceeding 10 years if such companies or persons have obtained preferences fraudulently or failed to perform on a contract based on the specified goals. The procedures to be followed when contemplating and imposing such restrictions are contained in MFMA Circulars 43, 46, 52 and 56 - available on the National Treasury website. Any restriction imposed by an Accounting Officer must be forwarded to the National Treasury for loading onto the central *Database of Restricted Suppliers*.



15. Petty cash purchases (R0-01 to R500-00)

The conditions for the procurement of goods by means of petty cash purchases referred to in paragraph 12 (1) (a) of this Policy, are as follows –

(a) The Accounting Officer hereby delegates the responsibility to the Executive Director: Financial Services to issue petty cash to the various departments.

(b) Petty cash requests not exceeding R500-00 vat included, per transaction may be issued by the approved officials.

The following departments are approved to be issued petty cash floats are restricted as follows:

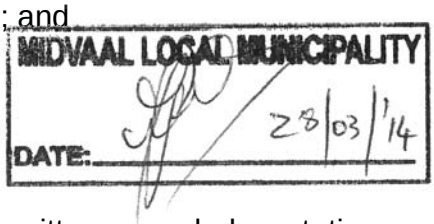
- Mayor's Office: R1 000-00 per month – approval by the ED: Corporate Services or delegated official.
- Social Services: R3 000-00 per month – approval by the ED: Social Services or delegated official.
- Financial Services: R10 000-00 per month (this includes, average of 5 COF's a month, Engineering Services, Corporate Services, Human Resources, protection Services and Development and Planning) – Approval by the ED: Financial Services or delegated official.

(c) Petty cash purchases are restricted to emergency cases where the necessity is required within 1 day to a maximum of R500-00 vat inclusive that could not have been foreseen.

(d) A monthly reconciliation report from each manager must be provided to the Executive Director: Financial Services/delegated official, including –

(i) the total amount of petty cash purchases for that month; and

(ii) receipts and appropriate documents for each purchase.



16. Written or verbal quotations (R500-01 to R2 000-00)

The conditions for the procurement of goods or services through written or verbal quotations are as follows *(read with section 12.3 of this policy):*

(a) Quotations must be obtained from at least three different providers preferably from, but not limited to, providers whose names appear on the list of accredited prospective providers of the Midvaal Local Municipality provided that if quotations are obtained from providers who are not listed, such providers must meet the listing criteria set out in paragraph 14(1)(c) and (d) of this Policy;

(b) to the extent feasible, providers must be requested to submit such quotations in writing;

(c) if it is not possible to obtain at least three quotations, the reasons must be recorded and reported quarterly to the accounting officer or another official designated by the accounting officer;

(d) the accounting officer must record the names of the potential providers requested to provide such quotations with their quoted prices; and

(e) if a quotation was submitted verbally, the order may be placed only against written confirmation by the selected provider.

17. Formal written price quotations (R2 000-01 to R30 000-00)

17.1 The conditions for the procurement of goods or services through formal written price quotations, are as follows *(read with section 12.3 of this policy):*

(a) quotations must be obtained in writing from at least three different providers whose names appear on the list of accredited prospective providers of the Midvaal Local Municipality;

(b) quotations may be obtained from providers who are not listed, provided that such providers meet the listing criteria set out in paragraph 14(1)(b) and (c) of this Policy;

(c) if it is not possible to obtain at least three quotations, the reasons must be recorded and approved by the chief financial officer or an official designated by the chief financial officer, and

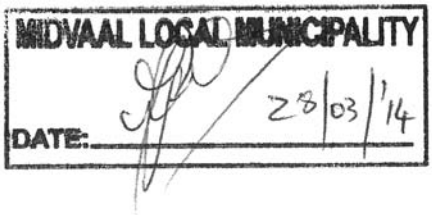
(d) the accounting officer must record the names of the potential providers and their written quotations.

17.2 A designated official referred to in subparagraph (1) (c) must within three days of the end of each month report to the chief financial officer on any approvals given during that month by that official in terms of that subparagraph.

18. Procedures for procuring goods or services through written or verbal quotations and formal written price quotations (R30 000-01 to R200 000-00)

18.1 The procedure for the procurement of goods or services through written or verbal quotations or formal written price quotations is as follows *(read with section 12.3 of this policy):*

(a) When using the list of accredited prospective providers the accounting officer must promote on-going competition amongst providers by inviting providers to submit quotations on a rotation basis;



(b) all requirements in excess of R30 000-01 (VAT included) that are to be procured by means of competitive 7-day bidding process must, in addition to the requirements of paragraph 17, be advertised for at least seven days on the website and an official notice board of the Midvaal Local Municipality;

(c) Offers received must be evaluated on a comparative basis taking into account unconditional discounts;

(d) the accounting officer or chief financial officer must on a monthly basis be notified in writing of all written or verbal quotations and formal written price quotations accepted by an official acting in terms of a sub-delegation;

(e) Offers below R30 000-00 (VAT included) must be awarded based on compliance to specifications and conditions of contract, ability and capability to deliver the goods and services and lowest price;

(f) Acceptable offers, which are subject to the preference points system (PPPFA and associated regulations), must be awarded to the bidder who scored the highest points;

(g) Record of approved specifications, minutes of the evaluation committees and approval memos must be kept on file for audit purposes.

18.2 Internal procedures for the procurement of goods or services through written or verbal quotations or formal written price quotations within MLM is as follows:

(c) Bid specification meetings for a 7-day process are informal between the end-user and SCM unit and signed off by the end-user department, the departmental MMC and the Municipal Manager.

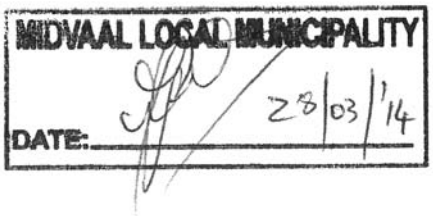
(d) The advertisement is for the approved specifications are advertised for 7-days on the website and notice boards.

(e) On closing day of the tender, bids are opened in public, read and recorded in a bid opening register.

(f) Bids are commercially captured by the SCM unit.

(g) The end-user department and SCM unit hold an informal evaluation meeting and the minutes are kept on file.

(h) A formal recommendation under the signature of the Director: Expenditure/Deputy Director: SCM is made in memo format with supporting documents, to the CFO in terms of the delegated powers in the form of approval memo who approves/declines whereafter an appointment letter (signed by the relevant HOD and or CFO) or official order (singed by the end-user department and COF) is issued to the end-user department for implementation.



19. Competitive bids (Above R200 000-01)

(Read with section 12.3 of this policy)

19.1 Goods or services above a transaction value of R200 000-01 (VAT included) and long term contracts may only be procured through a competitive bidding process, subject to paragraph 11(2) of this Policy.

19.2 No requirement for goods or services above an estimated transaction value of R200 000-01 (VAT included), may deliberately be split into parts or items of lesser value merely for the sake of procuring the goods or services otherwise than through a competitive bidding process.

20. Process for competitive bidding

The procedures for the following stages of a competitive bidding process are as follows:

(a) Compilation of bidding documentation as detailed in Section 21;

(b) Public invitation of bids as detailed in Section 22.1 – 22.6;

(c) Site meetings or briefing sessions as detailed in Section 22 (iii);

(d) Handling of bids submitted in response to public invitation as detailed in Section 23;

(e) Evaluation of bids as detailed in Section 25 & 28;

(f) Award of contracts as detailed in Section 29;

(g) Administration of contracts

(i) After approval of a bid, the accounting officer and the bidder must enter into a written agreement.

(h) Proper record keeping

(i) Original / legal copies of written contracts agreements should be kept in a secure place for reference purposes.

21. Bid documentation for competitive bids

The criteria to which bid documentation for a competitive bidding process must comply, must

(a) take into account –

(i) the general conditions of contract and any special conditions of contract, if specified;

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(ii) any Treasury guidelines on bid documentation; and

(iii) the requirements of the Construction Industry Development Board, in the case of a bid relating to construction, upgrading or refurbishment of buildings or infrastructure;

(b) include the BEE levels as contemplated in the Preferential Procurement Policy Framework Act, Regulations and evaluation and adjudication criteria, including any criteria required by other applicable legislation;

(c) compel bidders to declare any conflict of interest they may have in the transaction for which the bid is submitted;

(d) if the value of the transaction is expected to exceed R10 million (VAT included), require bidders to furnish–

(i) if the bidder is required by law to prepare annual financial statements for auditing, their audited annual financial statements –

(aa) for the past three years; or

(bb) since their establishment if established during the past three years;

(ii) a certificate signed by the bidder certifying that the bidder has no undisputed commitments for municipal services towards a municipality or other service provider in respect of which payment is overdue for more than 30 days;

(iii) particulars of any contracts awarded to the bidder by an organ of state during the past five years, including particulars of any material non-compliance or dispute concerning the execution of such contract;

(iv) a statement indicating whether any portion of the goods or services are expected to be sourced from outside the Republic, and, if so, what portion and whether any portion of payment from the municipality or municipal entity is expected to be transferred out of the Republic; and

(e) stipulate that disputes must be settled by means of mutual consultation, mediation (with or without legal representation), or, when unsuccessful, in a South African court of law.

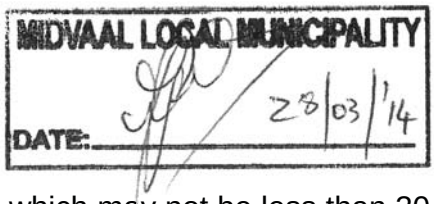
22. Public invitation for competitive bids

22.1 The procedure for the invitation of competitive bids, is as follows:

(a) Any invitation to prospective providers to submit bids must be by means of a public advertisement in newspapers commonly circulating locally, the website of the municipality or any other appropriate ways (which may include an advertisement in the Government Tender Bulletin); and

(b) the information contained in a public advertisement, must include –

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(i) the closure date for the submission of bids, which may not be less than 30 days in the case of transactions over R10 million (VAT included), or which are of a long term nature, or 14 days in any other case, from the date on which the advertisement is placed in a newspaper, subject to subparagraph (2) of this policy;

(ii) a statement that bids may only be submitted on the bid documentation provided by the Midvaal Local Municipality and be completed in hand writing. Bid documents may not be re-typed and no bids with correction fluid will be accepted. Any corrections are to be crossed out and initialled. Non-initialled corrections will render the bid invalid; and

(iii) date, time and venue of any proposed site meetings or briefing sessions are applicable. All briefing/site meetings are compulsory in MLM to ensure clarity and that all bidders are treated fair and equal. As these are compulsory site inspections, no bids will be accepted if the contractor (who is considered to be a technical representative) has not attended this session and documents will only be accepted from contractors whose names appear on the attendance register.

22.2 The accounting officer may determine a closure date for the submission of bids which is less than the 30 or 14 days requirement, but only if such shorter period can be justified on the grounds of urgency or emergency or any exceptional case where it is impractical or impossible to follow the official procurement process.

22.3 Bids submitted must be sealed and marked clearly with the bid number and description.

22.4 Where bids are requested in electronic format, such bids must be supplemented by sealed hard copies.

22.5 **Procedure for competitive bids**

Efficient planning will facilitate the development of appropriate documentation. Bid requests (specifications) should be as clear and concise as possible and avoid imposing unnecessary cost and effort on respondents. Persons with specialised insight to the proposed service of items may assist with the drafting of the specifications to ensure effective purchasing. These persons may not submit a bid for these works.

Well-prepared bidding documentation gives suppliers the opportunity to prepare appropriately responsive proposals or bids, thereby ensuring that the needs of the **Midvaal Local Municipality** are adequately catered for. The Supply Chain Management Unit in collaboration with the relevant HOD has the responsibility of ensuring that the bidding documentation is of superior quality.

Advertisement and bid documents are drawn up according to the set criteria and specifications in accordance with the General Conditions of Contract and guidelines issued by National Treasury by the Bidding Unit. The specifications are presented to the Bid Specifications Committee for approval prior to placement of ad.

Approved contracts of approved bids are managed by the end user and Head of that department in collaboration with the Performance, Systems Management Co-ordinator.

For the construction industry, documents are set up in accordance with prescripts issued by the Construction Industry Development Board Act 38 of 2000.

All bidders **must** declare any conflict of interest.

22.6 The following procedure will apply:

- An invitation to bid is placed on the website and in the relevant media to be indicated by the Head of Departments submitted to the SMU unit on the designated form ***(Annexure "C")***. The SCM unit will submit the quotations to the relevant HOD to sign off the quotations and proof documents. The original signed documents must reach the SCM unit timeously to ensure that the ad is placed in time.

- The ad should reach the SCM unit by close of office on Monday afternoons as the ads are forwarded to the media companies on Tuesdays for the quotes and approvals.

- The ads will run for one day of the week in the selected media. Depending on the nature of the bid, a min period of two weeks (14 consecutive days) will be given for issuing and completion of bid documents by interested bidders.

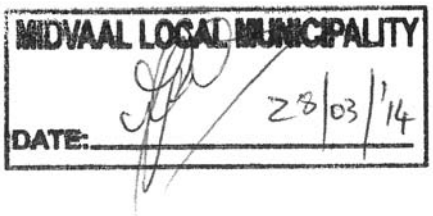
- A bid document fee of R250-00 is payable at the rates and taxes hall - finance during office hours Mon to Friday – 07:30 to 15:00. No fees are payable if the documents are downloaded from the website or e-mail. All receipts are kept on file at the SCM Unit until each bid process is complete and filed on the tender files.

- On closing date of bids a minimum of two representative needs to be present at the opening of bids whereof one must be a SCM official.

- The closing date and time is final and no late bids will be accepted. Due to the size of bid documents and original documents needed, no faxed or e-mailed bids will be accepted. All bids must be placed in a sealed envelope clearly marked with MN (municipal notice number), bid number and bid description as indicated on the documents, in the tender box situated on the ground floor of Block "A" and is generally open from Mondays to Friday 07:00 to 16:00.

- Each bid is opened in public and recorded in a register. The bid price and details are read out on request. An attendance register is signed by all present. Each bid is date stamped and signed by the Midvaal officials.

- All documents and registers are taken by the SCM unit to do a commercial evaluation (tax clearance certificates, vat registration, PPPFA regulations, MFMA SCM regulations, etc).



- The commercial capturing must take the following into account:

 a) who is not registered and verified on the Midvaal Local Municipality's supplier database within seven days of the closing time for bids. In this regard bid documentation shall state that the responsibility for registration and verification rests solely with the bidder;

 b) who, in the case of construction works acquisitions, does not comply with the requirements of the Construction Industry Development Board Act regarding registration of contractors.

 c) Verification of compliance with this requirement shall be by means of Council's Supplier Database and other databases legislatively provided for;

 d) who has failed to submit a valid tax clearance certificate form from the South African Revenue Services (SARS) certifying that the taxes of the bidder are in order or that suitable arrangements have been made with SARS, and

 e) who fails to comply with any applicable Bargaining Council agreements.

- All documents with the commercial report is forwarded to the Bid Evaluation Committee for the evaluation. The Bid Evaluation Committee evaluates all documents not disqualified during the commercial process at this meeting as set out in Section 28 of this policy. A recommendation is formalised for the Bid Adjudication Agenda for final approval by the BAC.

- The Bid Adjudication Committee peruses the documentation and recommendation from the BEC, approves the successful bidder and the Executive Director: Corporate Services signs the contract. A PMS is finalised for the duration of the contract by the end user and Head of that department in collaboration with the Performance, Systems Management Co-ordinator and singed with the bid documents/contract.

- The SCM unit advises the successful bidder whereafter an official order (signed by the end user, HOD and CFO/delegate) **OR** an appointment letter (signed by the HOD and CFO is issued. Should a bidder who has submitted a tender not receive any feedback from the council within three months, it can be accepted that their bid was unsuccessful. The unsuccessful bidder may on written request (in terms of the Access to Information Act) be given reason why their bid was unsuccessful.

- Where retention is applicable, the bidder issues an invoice for the total amount minus the % of retention fees as indicated in the contract. Payment methods must be clearly stipulated in all bid documents especially where construction is involved and must comply with the CIDB Act and its regulations.

- The balance is paid out to the bidder within 30 days of invoice date. On the lapse of the retention period indicated in the contract, the bidder invoices the Council for the % retention amount within five (5) working days prior to Cheque run. The cheque will only on written consent from the HOD who concluded the final inspection be

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released/paid. Expenditure section to keep a register for tracking purposes of such retentions for provision in the budgets and money be ring fenced where applicable.

- If and where necessary, any defects occur within the said retention period, the contractor is liable for all costs for repairs or replacements as and where required prior to issue of the Cheque. Any negligent actions detected on the contractor's side, will be deducted from the retention amount and/or construction guarantee, where repairs or replacements were made by Council.

- This includes the request for cancellation letters and or any other correspondence with regards to the contractor relevant to a legal and binding contract, to be forwarded to the SCM unit to draft the relevant letters/correspondence.

- Where the bidder is required to submit a construction guarantee, the bidder must submit the **original** construction guarantee (from a FICA approved institution) valid for a minimum of 1 year to the Supply Chain Management unit within the stipulated time frame (usually 7 days from receipt of official order or approval letter). The guarantee is filed in a safe for safekeeping and released upon written request from the council appointed Project manager signed off by the Head of the department or the delegated employee. The guarantee will be released on the lapsing of the guarantee.

- Latent defects will be dealt with in terms of the relevant industry regulations or prescripts (e.g. JBCC, Colto, GCC, etc) or in the absence of such regulations or prescripts, then in terms of the applicable law (i.e. whether common or otherwise)..

22.7 Re-tender process

This process may be followed where the scope has been reduced to accommodate the budget or where tender specifications have major changes based on amendments following the Bid specification committee approval and must be re-tendered in public.

22.8 Assets

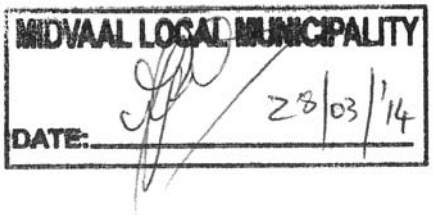
Copies of IT purchase orders are forwarded to the Assets section and insurance departments for bar coding and placement under insurance.

All capital/asset purchases paperwork must be forwarded to the Assets section by the finance section upon delivery for bar coding and asset register capturing.

The Asset section to forward the barcoded paperwork to the Insurance section for placement on insurance.

The Asset section and Insurance sections needs be informed of any council buildings or structures to be included on the asset register and insurance.

22.9 SUB-CONTRACTING



Bidders may sub-contract work to any subcontractor up to a maximum of 25% of the total contract value. Bidders may only sub-contract works over and above 25% of the total contract value to BBBEE graded companies as stipulated in the PPPFA Act Regulations of 2011.

23. Procedure for handling, opening and recording of bids

The procedures for the handling, opening and recording of bids, are as follows:

(a) Bids–

(i) must be opened in public by a two representative in the presence of the bidders and whereof one must be a SCM official;

(ii) must be opened at the same time and as soon as possible after the period for the submission of bids has expired; and

(iii) received after the closing time should not be considered and returned unopened immediately.

(iv) Should the bidder who submitted a late bid not be at the opening or the envelope not have a return address, such bid will be filed un-opened for the duration of the bid process and thereafter be opened to obtain the postal address and the re-sealed envelope returned to the bidder.

(b) Any bidder or member of the public has the right to request that the names of the bidders who submitted bids in time must be read out and, if practical, also each bidder's total bidding price;

(c) No information, except the provisions in **subparagraph (b),** relating to the bid should be disclosed to bidders or other persons until the successful bidder is notified of the award; and

(d) The accounting officer must –

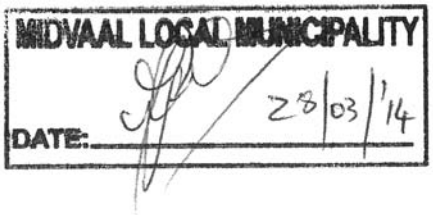
(i) record in a register all bids received in time;

(ii) make the register available for public inspection; and

(iii) publish the entries in the register and the bid results on the website.

24. Negotiations with preferred bidders

(1) The accounting officer may negotiate the final terms of a contract with bidders identified through a competitive bidding process as preferred bidders, provided that such negotiation –



(a) does not allow any preferred bidder a second or unfair opportunity;

(b) is not to the detriment of any other bidder; and

(c) does not lead to a higher price than the bid as submitted.

(2) Minutes of such negotiations must be kept for record purposes and are minuted by the relevant HOD and forwarded to the SCM unit for filing.

(3) Such negotiation meetings are attended by the relevant HOD, a SCM representative and the bidder.

25. Various bidding process

25.1 Two Stage bidding process:

A two-stage bidding process is allowed for –

(a) large or complex projects;

(b) projects where it may be undesirable/impractical to prepare complete detailed technical specifications; or

(c) long term projects with a duration period exceeding three years (e.g valuators, bank services

(d) this stage must not include prices.

Process of two stages:

a) In the first stage technical proposals on conceptual design or performance specifications are invited, subject to technical as well as commercial clarifications and adjustments.

b) On receipt of such proposals, a suitable design is accepted and formal specifications are drafted and approved at the formal bid specifications committee.

c) In the second stage final technical proposals and priced bids are invited from the bidders who submitted proposals only following a closed bid process.

25.2 Functionality qualifying bidding process

25.2.1 This phase is a two-envelope bidding system that is allowed for:

(a) Procuring specialised services (e.g. consultants, attorneys, etc.) that require accredited training and a reasonable amount of experience in the local government field relating to the demand;

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(b) Procuring specialised works/goods (e.g. water, sewer or electrical networks).

25.2.2 Process for the functionality two-envelope bidding system**:**

Bidders are requested to submit two envelopes –

a) First envelope contains the technical methodology to determine whether the bidder understands the scope of works as set out in accordance with the criteria stipulated in the bid documents and that they have the required capacity, experience and resources to successfully complete the project/service.

b) The second envelope will contain the fully completed and singed bidding documents containing the price, returnable documents and PPPFA requirements.

c) Functionality Process

Upon closing of the tender, the technical envelopes are opened first and a formal bid evaluation committee (as appointed by the Accounting Officer and must where possible be the same persons who approved the specifications) in the presence of SCM officials will score the tenders in accordance with the technical methodology and points as set out in the bidding documents. Bidders need to achieve a minimum score of the stipulated points out of 100 before their financial proposals and BEE levels are evaluated.

Qualifying bidder's envelopes containing the priced bid documents are then opened and the price and BEE evaluation completed by the evaluation committee members present. The proceedings are minuted and a recommendation of the highest scoring bidder is formulated to the Bid Adjudication Committee for approval.

26. Committee system for competitive bids

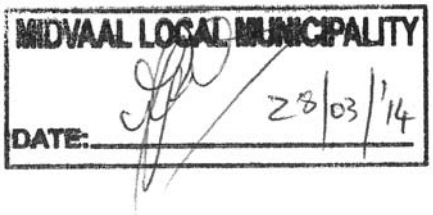
(1) A committee system for competitive bids is hereby established, consisting of the following committees for all procurement or cluster of procurements as the accounting officer will determine:

(a) a bid specification committee;

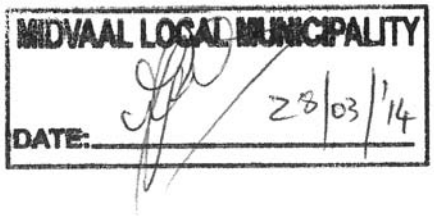
(b) a bid evaluation committee; and

(c) a bid adjudication committee;

(2) The Accounting Officer hereby has delegated the authority to appoint different members for each bid spec and bid evaluation committee relevant to the expertise/knowledge required, to the Bid Adjudication Committee, taking into account section 117 of the Act which excludes Councillors from serving on any SCM committee; and



(3) A neutral or independent observer (Legal/auditor), appointed by the accounting officer, may attend or oversee a committee when this is **appropriate** for ensuring fairness and promoting transparency.



(4) The committee system must be consistent with –

(a) Paragraph 27, 28 and 29 of this Policy; and

(b) Any other applicable legislation.

(5) The accounting officer may apply the committee system to formal written price quotations.

27. Bid specification committees

(1) A bid specification committee must compile the specifications for each procurement of goods or services by the Midvaal Local Municipality.

(2) Specifications –

(a) must be drafted in an unbiased manner to allow all potential suppliers to offer their goods or services;

(b) must take account of any accepted standards such as those issued by Standards South Africa, the International Standards Organisation, or an authority accredited or recognised by the South African National Accreditation System with which the equipment or material or workmanship should comply;

(c) must, where possible, be described in terms of performance required rather than in terms of descriptive characteristics for design;

(d) may not create trade barriers in contract requirements in the forms of specifications, plans, drawings, designs, testing and test methods, packaging, marking or labelling of conformity certification;

(e) may not make reference to any particular trade mark, name, patent, design, type, specific origin or producer unless there is no other sufficiently precise or intelligible way of describing the characteristics of the work, in which case such reference must be accompanied by the word “equivalent” unless this is impractical;

(f) must indicate the BEE level points that may be awarded in terms of the grading system as set out in the Preferential Procurement Regulations 2011;

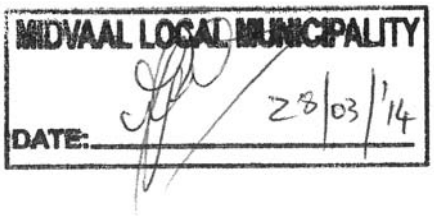
(g) must include the PMS document drafted by the end user in collaboration with the Performance & Systems Management co-ordinator; and

(h) must be approved by the Accounting Officer prior to publication of the invitation for bids in terms of Section 22.1 of this Policy.

(3) A bid specification committee must be composed of a minimum three officials of the Midvaal Local Municipality including the manager/delegate responsible for the function involved, a SCM representative, officials from other departments within MLM who may have valid input/experience relating to the specifications or end result, and may when appropriate, include internal/external specialist advisors upon approval by the Accounting Officer as set out in Section 26.2. Officials from the engineering services, Project management unit and development and planning departments must form part of the specifications committee where construction works are involved.

(4) The signed off checklist (***Annexure "D")*** must accompany the request for supply chain process and specifications.

(5) No person, advisor or corporate entity involved with the bid specification committee, or director of such a corporate entity, may bid for any resulting contracts.



28. <u>Bid evaluation committees</u>

(1) A bid evaluation committee must –

(a) evaluate bids in accordance with –

(i) Commercial evaluation for compliance in terms of valid original tax clearance certificates, check in respect of the recommended bidder whether municipal rates and taxes and municipal service charges are not in arrears, documents completed and signed in full, etc

(ii) Technical compliancy as described in the Oxford dictionary: "Relating to a particular subject, art, craft or its technics relating to special knowledge to be understood" of the specifications for a specific services or items evaluate including each bidder's ability to execute the contract and confirming references relating to such and may include a panel scoring session as set out in Section 25.2.2 (a), (b) and (c).

(iii) Pricing and the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000, its regulations and its amendments) compliance.

(b) submit to the bid adjudication committee a report and recommendations regarding the award of the bid or any other related matter.

(2) A bid evaluation committee must as far as possible be composed of-

(a) the officials who compiled and approved the specifications of the bid under consideration as well as the end user requiring the goods or services; and

(b) at least one supply chain management practitioner of the Midvaal Local Municipality.

(3) The Relevant user department's senior official shall carry out a technical evaluation of all bids received and shall submit a technical report to the Bid Evaluation Committee for consideration in the format attached hereto as ***Annexure "E".*** The criteria must be relevant to the bid specifications and the columns must be amended to include such.

(4) Technical evaluation of bids received, must include and take into account the bidder:-

a) whose bid does not comply with the provisions of Section 38 of this Policy;

b) whose bid does not comply with the provisions of Section 13 of this Policy;

c) whose bid is not in compliance with the specifications;

d) whose bid is not in compliance with the terms and conditions of the bid documentation relevant to the technical aspects of the bid;

29. Bid adjudication committees

(1) A bid adjudication committee must –

(a) Study and consider the report and recommendations of the bid evaluation committee; and

(b) either –

(i) depending on its delegations, make a final award or a recommendation to the accounting officer to make the final award; or

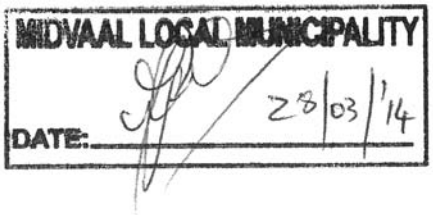
(ii) make another recommendation to the accounting officer how to proceed with the relevant procurement.

(2) A bid adjudication committee must consist of at least four senior managers of the Midvaal Local Municipality which must include –

(a) the chief financial officer or, if the chief financial officer is not available, another manager in the budget and treasury office reporting directly to the chief financial officer and designated by the chief financial officer; and

(b) at least one senior supply chain management practitioner who is an official of the Midvaal Local Municipality and

(c) a technical expert in the relevant field who is an official or an external service provider/expert for clarity reasons may be invited to clarify any queries raised by the Bid Adjudication Committee members, if such an expert exists and have been involved in the specifications and or evaluation process.



Any issues of clarity should be referred to the relevant user department in writing at least 48 hours before the sitting of the BAC Meeting and that the written responses be forwarded to the SCM unit for consideration by the BAC.

Should the bid committee member have been involved in the item under consideration, they must recuse themselves from the decision making process and be recorded/minute as such.

The Accounting Officer hereby appoints the following Bid Adjudication Committee Members:

MEMBERS	NOMINEES
EXECUTIVE DIRECTOR: FINANCIAL SERVICES - CHAIRPERSON	DIRECTOR – EXPENDITURE
EXECUTIVE DIRECTOR: FINANCIAL SERVICES – CHAIRPERSON	DIRECTOR: EXPENDITURE OR DIRECTOR: INCOME OR DIRECTOR: EXPENDITURE
EXECUTIVE DIRECTOR: ENGINEERING SERVICES	DIRECTOR: ENGINEERING SERVICES
EXECUTIVE DIRECTOR: COMMUNITY SERVICES	DIRECTOR: MS & PARKS OR ASSISTANT DIRECTOR HEALTH & COMMUNITY SERVICES
EXECUTIVE DIRECTOR: MANAGEMENT SERVICES	ASSISTANCE DIRECTOR: EAP HIV & AIDS & BENEFITS
EXECUTIVE DIRECTOR: PROTECTION SERVICES	CHIEF FIRE OFFICER
EXECUTIVE DIRECTOR: CORPORATE SERVICES	DIRECTOR: LEGAL AND PERFORMANCE MANAGEMENT OR DIRECTOR: AUXILIARY SERVICES
EXECUTIVE DIRECTOR: DEVELOPMENT & PLANNING	DIRECTOR: DEVELOPMENT AND PLANNING
DIRECTOR – EXPENDITURE (support only)	CHIEF ACCOUNTANT – EXPENDITURE
ACQUISITIONS OFFICER – SCM UNIT (admin and support only)	SUB-ACCOUNTANT – SCM

(3) The accounting officer must appoint the chairperson of the committee if not represented by him/herself. If the chairperson is absent from a meeting, the members of the committee who are present must elect one of them to preside at the meeting.

(4) Neither a member of a bid evaluation committee, nor an advisor or person assisting the evaluation committee, may be a member of a bid adjudication committee.

Should an HOD be involved in a bid evaluation committee and the item serves at the BAC for approval, the relevant HOD is required to declare such and the committee minute his recusal from the decision making under the item as he was involved in the drawing up of the evaluation process.

(5) (a) If the bid adjudication committee decides to award a bid other than the one recommended by the bid evaluation committee, the bid adjudication committee must prior to awarding the bid –

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(i) check in respect of the preferred bidder whether that bidder's municipal rates and taxes and municipal service charges are not in arrears, and;
(ii) notify the accounting officer.

(b) The accounting officer may –

(i) after due consideration of the reasons for the deviation, ratify or reject the decision of the bid adjudication committee referred to in paragraph (a); and
(ii) if the decision of the bid adjudication committee is rejected, refer the decision of the adjudication committee back to that committee for reconsideration.

(6) The accounting officer may at any stage of a bidding process, refer any recommendation made by the evaluation committee or the adjudication committee back to that committee for reconsideration of the recommendation.

(7) The accounting officer must comply with section 114 of the Act within 10 working days.

30. Procurement of banking services

(1) A contract for banking services –

(a) must be procured through competitive bids;

(b) must be consistent with section 7 or 85 of the Act; and

(c) may not be for a period of more than five years at a time.

(2) The process for procuring a contract for banking services must commence at least nine months before the end of an existing contract.

(3) The closure date for the submission of bids may not be less than 60 days from the date on which the advertisement is placed in a newspaper in terms of paragraph 22(1). Bids must be restricted to banks registered in terms of the Banks Act, 1990 (Act No. 94 of 1990).

31. Procurement of IT related goods or services

(1) The accounting officer may request the State Information Technology Agency (SITA) to assist with the acquisition of IT related goods or services through a competitive bidding process.

(2) Both parties must enter into a written agreement to regulate the services rendered by, and the payments to be made to, SITA.

(3) The accounting officer must notify SITA together with a motivation of the IT needs if –

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(a) the transaction value of IT related goods or services required in any financial year will exceed R50 million (VAT included); or

(b) the transaction value of a contract to be procured whether for one or more years exceeds R50 million (VAT included).

(4) Should SITA comment on the submission and the Midvaal Local Municipality disagrees with such comments, the comments and the reasons for rejecting or not following such comments must be submitted to the council, the National Treasury, the relevant provincial treasury and the Auditor General.

Internal IT request procedures:

- All IT related purchases (as budgeted for) need to be tabled and approved at the formal IT steering committee prior to following the procurement process.
- The IT department in collaboration with the SCM unit will source the quotations, check the prices and send it to the IT department for verification that the items offered comply with the IT standard specifications. The general requisition is signed by the end-user and approved by the HOD and CFO/delegate.
- The printed order is taken by the IT department and order placed with the successful bidder.
- Ordered IT items to be delivered to the IT department who will check the delivery note and items for compliance in terms of the specifications and install the relevant IT software, get the asset department to bar code and install the items at the end-user's premises/offices.
- The relevant department remains responsible for the payment of the invoices that will be submitted by the IT department.

32. Procurement of goods and services under contracts secured by other organs of state

(1) The accounting officer may procure goods or services under a contract secured by another organ of state, but only if –

(a) the contract has been secured by that other organ of state by means of a competitive bidding process applicable to that organ of state;

(b) there is no reason to believe that such contract was not validly procured;

(c) there are demonstrable discounts or benefits to do so; and

(d) that other organ of state and the provider have consented to such procurement in writing.

(2) Subparagraphs (1)(c) and (d) do not apply if –

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(a) a municipal entity procures goods or services through a contract secured by its parent municipality; or

(b) a municipality procures goods or services through a contract secured by a municipal entity of which it is the parent municipality.

33. Procurement of goods necessitating special safety arrangements

(1) The acquisition and storage of goods in bulk (other than water), which necessitate special safety arrangements, including gasses and fuel, should be avoided where ever possible.

(2) Where the storage of goods in bulk is justified, such justification must be based on sound reasons, including the total cost of ownership, cost advantages and environmental impact and must be approved by the accounting officer.

34. Proudly SA Campaign

The Midvaal Local Municipality supports the Proudly SA Campaign to the extent that, all things being equal, preference is given to procuring local goods and services from:

- Firstly – suppliers and businesses within the Midvaal Local Municipality or district;
- Secondly – suppliers and businesses within the relevant province;
- Thirdly – suppliers and businesses within the Republic.

35. Appointment of consultants

(1) The accounting officer may procure consulting services provided that any Treasury guidelines in respect of consulting services are taken into account when such procurements are made.

(2) Consultancy services must be procured through competitive bids if:

(a) the value of the contract exceeds R200 000 (VAT included); or

(b) the duration period of the contract exceeds one year.

(3) In addition to any requirements prescribed by this policy for competitive bids, bidders must furnish particulars of –

(a) all consultancy services provided to an organ of state in the last five years; and

(b) any similar consultancy services provided to an organ of state in the last five years.

(4) The accounting officer must ensure that copyright in any document produced, and the patent rights or ownership in any plant, machinery, thing, system or process designed or

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devised, by a consultant in the course of the consultancy service is vested in the Midvaal Local Municipality.

(5) **Additional service providers to be utilised by the appointed professional consultants**

Appointed consultants services requires to make use of other professional service providers from time to time that form part of their scope of works within an identified project. The costs are paid by these consultants and Midvaal has no direct link to them. These fees does not form part of the consultant's fee structure.

These services include land surveyors, environmental impact consultants, valuators, attorneys and conveyances, etc.

The following procedures will apply:

1. That where consultants, appointed on a fixed contact by the Bid Adjudication Committee, needs to procure other services necessary for the execution of a project, e.g. land surveyors, environmental impact consultants, valuators, etc. at least three written quotations be sourced from vendors registered on Midvaal Local Municipality's database (accessible from the supply chain unit) if available and in the case of attorneys, that the Council's panel of attorneys as categorised providers for the relevant expertise as required, failing which the appointment can be finalised substantially in accordance with the ED: Corporate Services delegated powers.

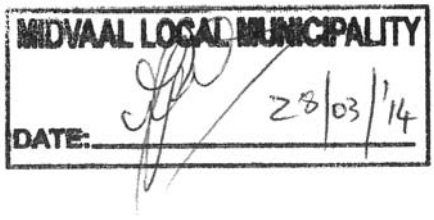
 Consultants may approach other service providers should the required services not be listed as a vendor on MLM database.

2. That the quotes be approved prior to appointment, by the relevant Head of Department and the Executive Director: Financial Services where applicable in terms of their delegated authority to ensure sufficient funds are available and value for money.

3. That these services will be paid by the consultant and proof of such must accompany the consultants' invoice request for payment by Midvaal Local Municipality.

4. That all consultants utilise council appointed service providers based on the approved rates procured through a formal tender process that may include Council attorneys (dependant on allocated service category and Council valuator

5. The appointed consultants will be required to work in close collaboration with the other appointed consultants when and where required and your full cooperation is appreciated.



36. Deviation from, and ratification of minor breaches of, procurement processes

(1) The accounting officer may –

(a) dispense with the official procurement processes established by this Policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –

i. in an emergency (breakages after hours, situations that may lead to health, safety hazards or death, serious hampering of official service delivery to the community);

ii. if such goods or services are produced or available from a single source or sole provider only (e.g. agents/manufacturer/patent holder or items under guarantee);

iii. for the acquisition of special works of art or historical objects where specifications are difficult to compile;

iv. acquisition of animals for zoos and/or nature and game reserves; or

v. in any other exceptional case or case or urgency where it is impractical or impossible to follow the official procurement processes (such as strip and quote on rotation basis, appointment of specialised service providers);

vi. any contract relating to the publication of notices and advertisements by or on behalf of the Midvaal Local Municipality as set out in the communications and corporate ID policies as amended from time to time.

vii. any purchase on behalf of the Midvaal Local Municipality at a public auction sale;

viii. any contract with an organ of state, a local authority or a public utility corporation or company;

ix. any contract in respect of which compliance therewith would not be in the public interest or interest of Council;

x. ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids; and

xi. workshop strip and quote ***(as per definition on page 6)***

(b) ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature.

(2) The accounting officer must record the reasons for any deviations in terms of subparagraphs (1)(a) and (b) of this policy and report them to the next meeting of the council and include as a note to the annual financial statements.

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(3) Subparagraph (2) does not apply to the procurement of goods and services contemplated in paragraph 11(2) of this policy.

37. <u>Unsolicited bids</u>

(1) In accordance with section 113 of the Act there is no obligation to consider unsolicited bids received outside a normal bidding process.

(2) The accounting officer may decide in terms of section 113(2) of the Act to consider an unsolicited bid, only if –

(a) the product or service offered in terms of the bid is a demonstrably or proven unique innovative concept;

(b) the product or service will be exceptionally beneficial to, or have exceptional cost advantages;

(c) the person who made the bid is the sole provider of the product or service; and

(d) the reasons for not going through the normal bidding processes are found to be sound by the accounting officer.

(3) If the accounting officer decides to consider an unsolicited bid that complies with subparagraph (2) of this policy, the decision must be made public in accordance with section 21A of the Municipal Systems Act, together with –

(a) reasons as to why the bid should not be open to other competitors;
(b) an explanation of the potential benefits if the unsolicited bid were accepted; and
(c) an invitation to the public or other potential suppliers to submit their comments within 30 days of the notice.

(4) The accounting officer must submit all written comments received pursuant to subparagraph (3), including any responses from the unsolicited bidder, to the National Treasury and the relevant provincial treasury for comment.

(5) The adjudication committee must consider the unsolicited bid and may award the bid or make a recommendation to the accounting officer, depending on its delegations.

(6) A meeting of the adjudication committee to consider an unsolicited bid must be open to the public.

(7) When considering the matter, the adjudication committee must take into account –

(a) any comments submitted by the public; and
(b) any written comments and recommendations of the National Treasury or the relevant provincial treasury.

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(8) If any recommendations of the National Treasury or provincial treasury are rejected or not followed, the accounting officer must submit to the Auditor General, the relevant provincial treasury and the National Treasury the reasons for rejecting or not following those recommendations.

(9) Such submission must be made within seven days after the decision on the award of the unsolicited bid is taken, but no contract committing the Midvaal Local Municipality to the bid may be entered into or signed within 30 days of the submission.

38. Combating of abuse of supply chain management system

(1) The accounting officer must–

(a) take all reasonable steps to prevent abuse of the supply chain management system;

(b) investigate any allegations against an official or other role player of fraud, corruption, favouritism, unfair or irregular practices or failure to comply with this Policy, and when justified –

(i) take appropriate steps against such official or other role player; or

(ii) report any alleged criminal conduct to the South African Police Service;

(c) check the National Treasury's database prior to awarding any contract to ensure that no recommended bidder, or any of its directors, is listed as a person prohibited or restricted from doing business with the public sector;

(d) reject any bid from a bidder–

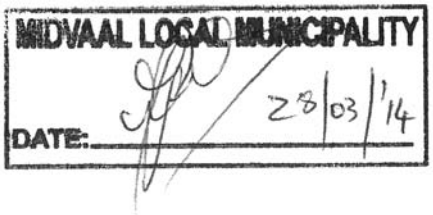
(i) if any municipal rates and taxes or municipal service charges owed by that bidder or any of its directors to the **Midvaal Local Municipality**, or to any other municipality or municipal entity, are in arrears for more than three months; or

(ii) who during the last five years has failed to perform satisfactorily on a previous contract with the **Midvaal Local Municipality** or any other organ of state after written notice was given to that bidder that performance was unsatisfactory (see circular 46 of the NT MFMA circular dated 17 March 2008);

(e) reject a recommendation for the award of a contract if the recommended bidder, or any of its directors, has committed a corrupt or fraudulent act in competing for the particular contract;

(f) cancel a contract awarded to a person if –

(i) the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract; or



(ii) an official or other role player committed any corrupt or fraudulent act during the bidding process or the execution of the contract that benefited that person; and

(g) reject the bid of any bidder if that bidder or any of its directors –

(i) has abused the supply chain management system of the **Midvaal Local Municipality** or has committed any improper conduct in relation to such system;

(ii) has been convicted for fraud or corruption during the past five years;

(iii) has wilfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or

(iv) has been listed in the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004) or Data base of restricted suppliers.

(2) The accounting officer must inform the National Treasury and relevant provincial treasury in writing of any actions taken in terms of subparagraphs (1)(b)(ii), (e) or (f) of this policy.

PART 3: LOGISTICS, DISPOSAL, RISK AND PERFORMANCE MANAGEMENT

39. Logistics management

The accounting officer must, *where applicable*, establish and implement an effective system of logistics management, which must include –

(a) the monitoring of spending patterns on types or classes of goods and services incorporating, where practical, the coding of items to ensure that each item has a unique number;

(b) the setting of inventory levels that includes minimum and maximum levels and lead times wherever goods are placed in stock;

(c) the placing of manual or electronic orders for all acquisitions other than those from petty cash;

(d) before payment is approved , certification by the responsible officer that the goods and services are received or rendered on time and is in accordance with the order, the general conditions of contract and specifications where applicable and that the price charged is as quoted in terms of a contract;

(e) appropriate standards of internal control and warehouse management to ensure that goods placed in stores are secure and only used for the purpose for which they were purchased;

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(f) regular checking to ensure that all assets including official vehicles are properly managed, appropriately maintained and only used for official purposes; and

(g) monitoring and review of the supply vendor performance to ensure compliance with specifications and contract conditions for particular goods or services.

The logistics management procedures must be adhered to at all times attached hereto as ***Annexure "F"***.

40. <u>Disposal management</u>

(1) The criteria for the disposal or letting of assets, including unserviceable, redundant or obsolete assets, subject to sections 14 and 90 of the Act, will be determined for each situation in collaboration with the PPPFA Act, its regulates and amendments.

(2) Assets may be disposed of by –

(i) transferring the asset to another organ of state in terms of a provision of the Act enabling the transfer of assets;
(ii) transferring the asset to another organ of state at market related value or, when appropriate, free of charge;
(iii) selling the asset; or
(iv) destroying the asset.

(3) The accounting officer must ensure that –

(a) immovable property is sold only at market related prices except when the public interest or the plight of the poor demands otherwise and in collaboration with the Local Government MFMA – Municipal Asset Transfer Regulations (Gazette No 3146 dated 22/08/2008;

<u>Sale of land on formal tender processes</u>. All applicable fees (estimated) /processes (e.g. rezoning, consolidation, bulk contributions, valuation fees, registration and all other related fees) must be mentioned in the specs of the bid documents. All affected departments to give comments on the proposed sale of land in writing and must so be noted on the item to Council for approval.

Only council resolved items will be accepted by the SCM unit for the tender/auction process. These resolutions and valuations should not be older than **<u>12 months</u>**. The copy of the valuation certificate, zoning certificate and council resolution and all other documents pertaining to the sale of land must accompany the request for the sale of the mentioned land/property.

The bid is awarded to the bidder who submitted the highest offer and who accepted all the conditions of the bid.

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(b) movable assets are sold once council has declared the items redundant, either by way of written price quotations, a competitive bidding process, auction or at market related prices, whichever is the most advantageous and sold to the bidder who submitted the highest price.

(c) firearms are not sold or donated to any person or institution within or outside the Republic unless approved by the National Conventional Arms Control Committee;

(d) immovable property is let at market related rates except when the public interest or the plight of the poor demands otherwise;

(e) all fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property are annually reviewed;

(f) where assets are traded in for other assets, the highest possible trade-in price is negotiated; and

(g) in the case of the free disposal of computer equipment, the provincial department of education is first approached to indicate within 30 days whether any of the local schools are interested in the equipment.

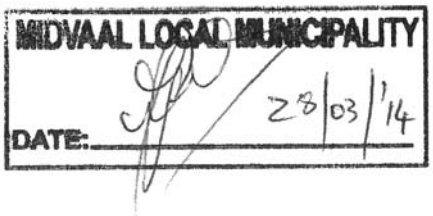
(4) All matters relating to the alienation of movable and immovable assets, shall be dealt with in terms of the policy for the management and administration of immovable property, annexed hereto as stated within the Management and Disposal of Assets policy and Asset Management policy

(5) Notwithstanding the provisions of sub-section 2 hereof, the following statutory powers of MLM Council in respect of the alienation of immovable property, are reserved to be exercised by Council:

(a) to decide on reasonable grounds that an asset is not needed to provide the minimum level of basic municipal services; and
(b) to considered the fair market value of the asset and the economic and community value to be received in exchange for the asset, and

(6) Notwithstanding sub-section (5) (a) & (b) above, the accounting officer must determine the most advantageous way for the disposal or letting of movable capital assets, i.e. written price quotations, competitive bidding, or auction, except when public interest or the plight of the poor demands otherwise.

(7) The accounting officer is hereby authorized to dispose of movable capital assets below a value of R500, 000 (excluding the approval for selling of assets via public auction process) and to make the determinations in terms of Section 14(2)(a) and (b) of the MFMA, provided that, in respect of capital assets above a value of R200 000 not being auctioned, the Accounting Officer shall first consider a recommendation from the Supply Chain Management Bid Adjudication Committee.



41. **Risk management**

(1) The criteria for the identification, consideration and avoidance of potential risks in the supply chain management system, will be determined for each situation.

(2) Risk management must include –

(a) the identification of risks on a case-by-case basis;

(b) the allocation of risks to the party best suited to manage such risks;

(c) acceptance of the cost of the risk where the cost of transferring the risk is greater than that of retaining it;

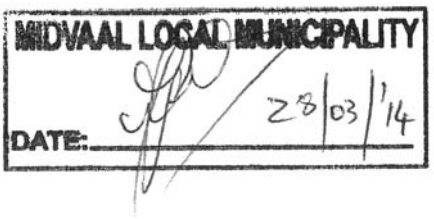
(d) the management of risks in a pro-active manner and the provision of adequate cover for residual risks; and

(e) the assignment of relative risks to the contracting parties through clear and unambiguous contract documentation.

42. Performance management

The accounting officer must establish and implement an internal monitoring system in order to determine, on the basis of a retrospective analysis, whether the authorised supply chain management processes were followed and whether the objectives of this Policy were achieved.

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PART 4: OTHER MATTERS

43. Prohibition on awards to persons whose tax matters are not in order

(1) No award above R30 000 may be made in terms of this Policy to a person whose tax matters have not been declared by the South African Revenue Service to be in order.

(2) Before making an award to a person the accounting officer must first check with SARS whether that person's tax matters are in order.

(3) If SARS does not respond within 7 days such person's tax matters may for purposes of subparagraph (1) be presumed to be in order.

(4) Midvaal Local Municipality will process transactions per supplier on the proviso that the accumulative amounts per supplier does not exceed R30-000.00 without the required tax clearance certificate as per regulation 43 (1) above.

44. Prohibition on awards to persons in the service of the state

Irrespective of the procurement process followed, no award may be made to a person in terms of this Policy –

(a) who is in the service of the state;

(b) if that person is not a natural person, of which any director, manager, principal shareholder or stakeholder is a person in the service of the state; or

(c) a person who is an advisor or consultant contracted with the **Midvaal Local Municipality.**

44.1 VERIFICATION PROCESS TO VERIFY STATE EMPLOYEES IN THE AWARD OF CONTRACTS

a) MLM must complete the Requested for Verification Form attached to Gauteng Provincial Treasury (GPT) - Circular 2 of 2014, with the details of the shortlisted or recommended vendor's / shareholders / directors / members **BEFORE** adjudication.

b) The completed request for verification form signed by the Head of Supply Chain Management Unit / delegate must be sent to the call centre of Gauteng Treasury – SCM.Verifications@gauteng.gov.za or faxed to: 086 658 2613.

c) A reference number is automated on this system for control and monitoring of the requests.

d) The GPT will conduct the verification on the PERSAL system that is linked to all National and Provincial spheres of government, and respond to the MLM within 24 hours upon

receipt of the request indicating whether the directors of the vendors are employees of the state or not.

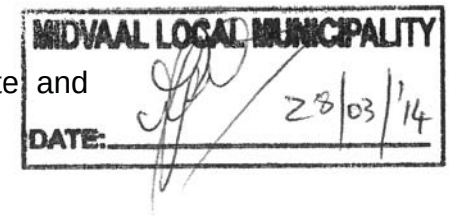
45. Awards to close family members of persons in the service of the state

The accounting officer must ensure that the notes to the annual financial statements disclose particulars of any award of more than R2 000-00 to a person who is a spouse, child or parent of a person in the service of the state, or has been in the service of the state in the previous twelve months, including –

(a) the name of that person;

(b) the capacity in which that person is in the service of the state and

(c) the amount of the award.



46. Ethical standards

(1) A code of ethical standards as set out in **subparagraph (2) of the "*National Treasury's code of conduct for supply chain management practitioners and other role players involved in supply chain management*"** is hereby established for officials and other role players in the supply chain management system of the **Midvaal Local Municipality i**n order to promote –

(a) mutual trust and respect; and

(b) an environment where business can be conducted with integrity and in a fair and reasonable manner.

(2) A breach of the code of ethics must be dealt with as follows –

(a) in the case of an employee, in terms of the disciplinary procedures of the Midvaal Local Municipality envisaged in section 67(1)(h) of the Municipal Systems Act;

(b) in the case a role player who is not an employee, through other appropriate means in recognition of the severity of the breach.

(c) in all cases, financial misconduct must be dealt with in terms of chapter 15 of the Act.

(d) A municipal official or other role player involved in the implementation of this Policy–

(i) must treat all providers and potential providers equitably;

(ii) may not use his or her position for private gain or to improperly benefit another person;

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(e) must declare to the accounting officer details of any private or business interest which that person, or any close family member, partner or associate, may have in any proposed procurement or disposal process of, or in any award of a contract by, the Midvaal Local Municipality.

(f) must immediately withdraw from participating in any manner whatsoever in a procurement or disposal process or in the award of a contract in which that person, or any close family member, partner or associate, has any private or business interest;

(g) must be scrupulous in his or her use of property belonging to **Midvaal Local Municipality,**

(h) must assist the accounting officer in combating fraud, corruption, favouritism and unfair and irregular practices in the supply chain management system; and

(i) must report to the accounting officer any alleged irregular conduct in the supply chain management system which that person may become aware of, including –

(i) any alleged fraud, corruption, favouritism or unfair conduct;

(ii) any alleged contravention of paragraph 47(1) of this Policy; or
(iii) any alleged breach of this code of ethical standards.

(3) Midvaal Local Municipality adopts National Treasury's code of conduct for supply chain management practitioners and other role players involved in supply chain management".

(4) **A breach of the code of ethics must be dealt with as follows –**

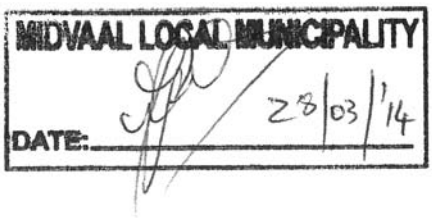
(a) in the case of an employee, in terms of the disciplinary procedures of the **Midvaal Local Municipality** envisaged in section 67(1)(h) of the Municipal Systems Act;

(b) in the case a role player who is not an employee, through other appropriate means in recognition of the severity of the breach.

(c) In all cases, financial misconduct must be dealt with in terms of chapter 15 of the Act.

(d) All cases of non-compliance to this Policy should be reported to the Accounting Officer.

NOTE: The "*POLICY OF THE ACCEPTANCE OF GRANTS, GIFTS, DONATIONS AND SPONSORSHIPS (29 AUGUST 2013)"* is applicable to sections 46, 47 and 48 of this policy and must be adhered to at all times.



47. Inducements, rewards, gifts and favours to municipalities, officials and other role players

(1) No person who is a provider or prospective provider of goods or services, or a recipient or prospective recipient of goods disposed or to be disposed of may either directly or through a representative or intermediary promise, offer or grant –

(a) any inducement or reward to the or in connection with the award of a contract; or

(b) any reward, gift, favour or hospitality to –

(i) any official; or

(ii) any other role player involved in the implementation of this Policy.

(2) The accounting officer must promptly report any alleged contravention of subparagraph (1) to the National Treasury for considering whether the offending person, and any representative or intermediary through which such person is alleged to have acted, should be listed in the National Treasury's database of persons prohibited from doing business with the public sector.

(3) Section 47(1) does not apply to gifts less than R350 in value.

48. Sponsorships

The accounting officer must promptly disclose to the National Treasury and the relevant provincial treasury any sponsorship promised, offered or granted, whether directly or through a representative or intermediary, by any person who is –

(a) a provider or prospective provider of goods or services; or

(b) a recipient or prospective recipient of goods disposed or to be disposed.

49. Objections and complaints

Persons aggrieved by decisions or actions taken in the implementation of this supply chain management system, may lodge within 14 days of the decision or action, a written objection or complaint against the decision or action.

50. Resolution of disputes, objections, complaints and queries

(1) The accounting officer must appoint an independent and impartial person, not directly involved in the supply chain management processes –

(a) to assist in the resolution of disputes between the **Midvaal Local Municipality** and other persons regarding –

(i) any decisions or actions taken in the implementation of the supply chain management system; or
(ii) any matter arising from a contract awarded in the course of the supply chain management system; or

(b) to deal with objections, complaints or queries regarding any such decisions or actions or any matters arising from such contract.

(2) The accounting officer, or another official designated by the accounting officer, is responsible for assisting the appointed person to perform his or her functions effectively.

(3) The person appointed must –

(a) strive to resolve promptly all disputes, objections, complaints or queries received; and

(b) submit monthly reports to the accounting officer on all disputes, objections, complaints or queries received, attended to or resolved.

(4) A dispute, objection, complaint or query may be referred to the relevant provincial treasury if –

(a) the dispute, objection, complaint or query is not resolved within 60 days; or
(b) no response is forthcoming within 60 days.

(5) If the provincial treasury does not or cannot resolve the matter, the dispute, objection, complaint or query may be referred to the National Treasury for resolution.

(6) This paragraph must not be read as affecting a person's rights to approach a court at any time.

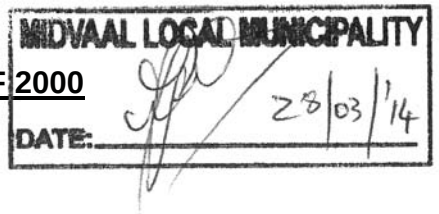
51. Contracts providing for compensation based on turnover

If a service provider acts on behalf of a Midvaal Local Municipality to provide any service or act as a collector of fees, service charges or taxes and the compensation payable to the service provider is fixed as an agreed percentage of turnover for the service or the amount collected, the contract between the service provider and the Midvaal Local Municipality must stipulate –

(a) A % cap on the compensation payable to the service provider; and

(b) that such compensation must be performance based.

52. CONSTRUCTION INDUSTRY DEVELOPMENT BOARD ACT 30 OF 2000



The CIDB Act provides for the establishment of the Construction Industry Development Board; to implement an integrated strategy for the reconstruction, growth and development of the construction industry and to provide for matters connected therewith.

All of Midvaal Local Municipality's departments and appointed Consultants are to adhere strictly to the CIDB regulations when procuring building and construction bidding projects and or services in Council as the construction procurement in the public sector is regulated in terms of the following legislation:

- PFMA SCM regulations (NATIONAL TREASURY)
- MFMA SCM regulations (NATIONAL TREASURY) and
- CIDB Act and regulations with respect to:
 - CIDB Code of Conduct for the Parties engaged in Construction Procurement
 - CIDB Standard for Uniformity in Construction Procurement.

Alignment of the CIDB construction procurement to National treasury's SCM regulations:

SCM Regulations issued in terms of the MFMA (Regulation 21):

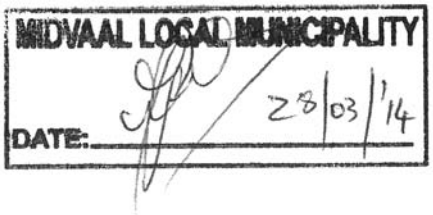
Bid documentation for a competitive bidding process must take into account the requirements of the "Construction Industry Development Board, its regulations and all amendments, in the case of a bid relating to construction, upgrading or refurbishment of buildings or infrastructure"

STANDARD CONTRACT FOR CIDB PROJECTS

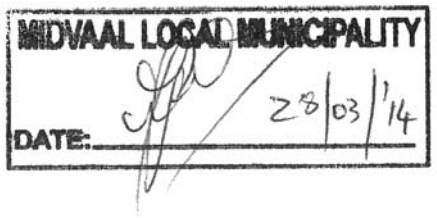
The JBCC contract should be utilised for all new construction, alterations, renovation works on council property or for new community projects.

The GCC (2004), Colto and other applicable contracts should be utilised for engineering projects that include but not limited to: civil, roads, water, sewer, electrical, mechanical, etc.

Officials from the engineering services, project management unit and development and planning departments must form part of the specifications committee where construction works are involved.



CIDB DEVELOPMENT FRAMEWORK





Focus areas for improved industry

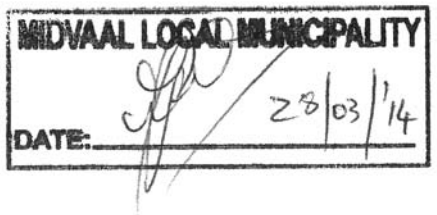
MIDVAAL LOCAL MUNICIPALITY
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Inputs (technical function)	Control point (SCM function)
1 ESTABLISH WHAT IS TO BE PROCURED	
1.1 Prepare broad scope of work for procurement (terms of reference/specifications)	
1.2 Estimate financial value of proposed procurement (Budget/IDP)	
	1. 3 Obtain permission to start with the procurement process by HOD and MM once specs have been approved by the Bid Specifications committee

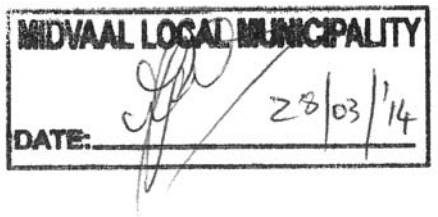
INPUTS (TECHNICAL FUNCTION)	CONTROL POINT (SCM FUNCTION)
2 DECIDE ON PROCUREMENT STRATEGIES	
2.1 Establish applicable preferential procurement policy strategy (PPPFA/MIG/other conditional grant funding)	
2.2 Establish contract and pricing strategy	
2.3 Establish targeting strategy	
	2.4 Establish procurement procedure in line with the relevant threshold value SCM policy/CIDB values.

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Inputs (technical function)	Control point (SCM function)
3. SOLICIT TENDER OFFERS (2-STAGE BIDDING)	
3.1 Prepare terms of reference and specifications	
	3.2 Prepare bid documents for formal specs sign off
	3.3 Confirm that budgets and funding is in place
	3.4 Invite contractors to submit tender offers or expressions of interest by creating the invite on CIDB website
	3.5 Receive tender offers or expressions of interest
3.6 Technically evaluate expressions of interests	**3.6 Commercially evaluate expressions of interests**
3.7 Prepare evaluation report on short listing process with SCM unit	
	3.8 Confirm shortlist
3.9 Invite tender offers from shortlist	



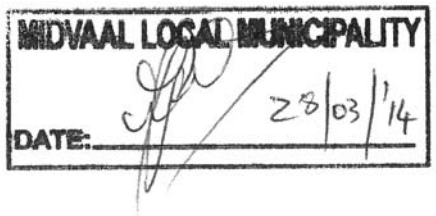
Inputs (technical function)	Control point (SCM function)
4 EVALUATE TENDER OFFERS WITH SCM UNIT	
4.1 OPEN AND RECORD TENDER OFFERS RECEIVED	
	4.2 Determine whether or not tenders offers are complete
4.3 Determine whether or not tender offers are responsive	
4.4 Evaluate tender submissions	
4.5 Perform a risk analysis.	
4.6 Prepare a technical evaluation report and item	4.6 Prepare a tender evaluation report for the BEC
	4.7 Prepare a tender evaluation report for the BAC



Inputs (technical function)	Control point (SCM function)
5 Award contract	
5.2 Compile contract document & PMS	**5.1 Notify successful tenderer**
	5.3 Formally accept tender offer
	5.4 Capture contract award data on CIDB & Intenda
6 Administer contracts and confirm compliance with requirements as per approved PMS	
6.1 Administer contract in accordance with the terms and provisions of the contract (PMS)	
6.2 Ensure compliance with requirements (PMS)	
	6. 3. Capture contract completion / termination data on CIDB

CONSTRUCTION GUARANTEES

Where the bidder is required to submit a construction guarantee, the bidder must submit the **original** construction guarantee (from a FICA approved institution) valid for a minimum of 1 year to the Supply Chain Management unit within the stipulated time frame (usually 7 days from receipt of official order or approval letter). The guarantee is filed in a safe for safekeeping and released upon written request from the council appointed Project manager signed off by the Head of the department or the delegated employee. The guarantee will be released on the lapsing of the guarantee.



All construction procurement process to be drawn up and implemented in line with the CIDB Practice Notes (available on the CIDB website)

- Practice Note 1: *Scaling up delivery and accelerating empowerment*
- Practice Note 2: *Correcting arithmetical errors in tenders*
- Practice Note 3: *Applying the Register of Contractors in Construction Works Contracts*
- Practice Note 4: *Procuring best value in construction works*
- Practice Note 5: *Evaluating tender offers*
- Practice Note 6: *Competitive selection of professional service providers*
- Practice Note 7: *Subcontracting arrangements*
- Practice Note 8: *Remunerating professional service providers*
- Practice Note 9: *Evaluation of quality in tender submissions*
- Practice Note 10: *Attaining social and economic deliverables*
- Practice Note 11: *Programme management approach to delivery*
- Practice Note 12: *The competitive negotiations procedure*
- Practice Note 13: *Identifying a construction works contract*

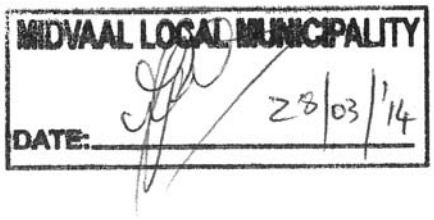
Procurement Strategies

Midvaal Local Municipality needs to identify and put procurement strategies in place to enhance the following CIDB key objectives:

- Key Objectives
 - Meet Client Requirements: On time; in budget and to required quality
 - BEE
 - Skills Development
 - Job Creation

This can be created by using one of the following strategies and needs to be identified per project with input from Council:

1. Unbundling
2. Using Potentially Emerging Status
3. Using Joint Ventures
4. Using subcontracts
5. Bundling and Targeting – CIDB Practice Note 1
6. Term Contracts – CIDB Practice Note 1



The advertisement is drawn up and issued on I-tender on the CIDB website: www.CIDB.org.za that automatically sends an e-mail or SMS notification to the category registered contractors inviting them to submit a bid.

All briefing sessions/site inspection is compulsory in Midvaal to ensure that all contractors are aware of what is expected from them whilst tendering. Any changes to plans, works or bill of quantities are done and signed on site ensuring that all bidders have a fair/equal chance of tendering and will be evaluated as such.

CIDB Register of Contractors:

1. Store and provide data on the size and distribution of contractors operating within the construction industry, and

2. The volume, nature, performance and development of contractors and target groups; and

3. Provides access by the private sector and thus also facilitate private sector procurement.

Application

Register of contractors is to be applied in all public sector construction works contracts which exceed R30 000 including VAT.

- Register enterprises (not individuals)

- both established enterprises with a track record and newly constituted enterprise without a track record or with one that over a short period;

- in terms of their potential capability to undertake a contract of a given size, based on track records at a point in time.

THE FOLLOWING CONTRACTORS ARE NOT REGISTERED AT THE CIDB

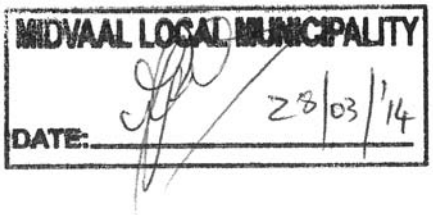
- Joint ventures If all contractors registered, "effective" contractor grading designation calculated from the sum of the individual parameters. NB CIDB calculator available on www.cidb.org.za.

- Contractors who are under restrictions from doing business with the public sector e.g.. name appears on the register of tender defaulters, no tax clearance certificates, etc.

- Contractors who are registered with the NHBRC as home builders are exempt from registration provided that they only undertake the construction of homes.

- Labour Only Contractors who undertake substantially labour only contracts are exempt.

- NB: Contractors who work only for the private sector are not required to be registered.



TENDER VALUE RANGE		
➢ A registered contractor`s grading designation (indicated in the first column, below), means that the contractor is considered capable of undertaking a contract less than or equal to the value indicated in the second column - within the contractor`s registered clas of works.		
➢ DESIGNATION Less than or equal to:		
1	R0	R200 000
2	R200 000	R650 000
3	R650 000	R2 000 000
4	R2 000 000	R4 000 000
5	R4 000 000	R6 500 000
6	R6 500 000	R13 000 000
7	R13 000 000	R40 000 000
8	R40 000 000	R130 000 000
9	R130 000 000	No Limit

Classes of construction works

- CE = civil engineering
- EB = electrical engineering works – building
- EP = electrical engineering works - infrastructure
- GB = General building works
- ME = Mechanical Engineering works
- Specialist works (SB to SQ)

Classes of specialist construction

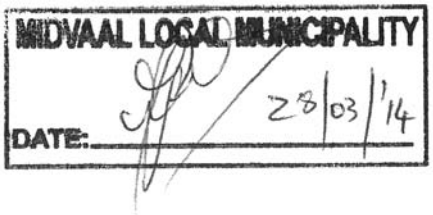
SB: The extension, installation, repair, maintenance or renewal, or removal of asphalt.

SC: The development, extension, installation, removal and dismantling, as relevant, as associated with building excavations, shaft sinking and lateral earth support.

SD: The development, extension, installation, repair, renewal, removal or alteration of corrosion protection systems (cathodic, anodic and electrolytic).

SE: Demolition of buildings and engineering infrastructure and blasting.

SF: The development, extension, installation, renewal, removal, renovation, alteration or dismantling of fire prevention and protection infrastructure (drencher and sprinkler systems and fire installations).



SG: The development, extension, installation, renewal, removal, renovation, alteration or dismantling of glazing, curtain walls and shop fronts.

SH: The development, extension, installation, renewal, removal, renovation, alteration or dismantling, as relevant, of landscaping, irrigation and horticultural works.

SI: The development, extension, installation, repair, maintenance, renewal, removal, renovation, alteration or dismantling of lifts, escalators, travellators and hoisting machinery.

SJ: The development, installation, removal or dismantling, as relevant, of piling and other specialized foundations for buildings and structures.

SK: The installation, renewal, removal, alteration or dismantling, as relevant, of Road markings and signage.

SL: The development, extension, installation, renewal, removal, renovation, alteration or dismantling of structural steelwork steelworks and scaffolding.

SM: Timber buildings and structures.

SN: The extension, installation, repair, maintenance, renewal, removal, renovation or alteration, as relevant, of the waterproofing of basements, roofs and walls using specialist systems.

SO: The development, extension, installation, renewal, removal, alteration or dismantling of the water installations and soil and waste water drainage associated with buildings (wet services and plumbing).

SQ: The development, extension, installation, repair, removal, alteration, dismantling or demolition of precast concrete security concrete security fencing or steel security fencing.

WORKS CAPABILITY

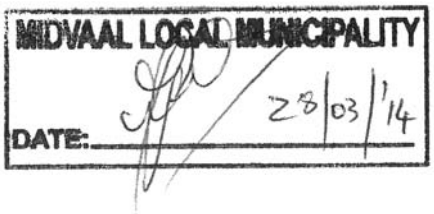
Statutory requirements

- A contractor must be in possession of an electrical contractor license issued by ECBSA for the Electrical Engineering class of construction works

- be registered as a Home Builder with the NHBRC for the SP class of construction works.

Current

- Contractor Grading Designation
- Status of Contractor – Potentially Emerging Enterprise



Future

- Best Practice Contractor Recognition Scheme
- Status of recognition of the progress of a contractor in terms of any BEE Programme

JOINT VENTURES

If all joint venture partners are registered, "effective" contractor grading designation calculated from the sum of the individual parameters.

NB CIDB calculator available on www.cidb.org.za or:

Designation	Deemed to satisfy joint venture arrangements
3	3 x designation 2
4	3 x designation 3
5	2 x designation 4 1 x designation 4 + 2 designation 3
6	2 x designation 5 1 x designation 5 + 2 x designation 4
7	2 x designation 6 1 x designation 6 + 2 x designation 5
8	3 x designation 7
9	3 x designation 8

A Joint venture calculator is available on the CIDB website for ease of use and reference.

REGISTERING OF PROJECTS

Legal requirement:

An employer must, within 21 working days from the date on which a contractor's offer to perform a construction works contract is accepted in writing by the employer, apply on the approved form to the Board for the registration of every project, consisting of a single construction works contract, of which the contract value exceeds a value determined by the Minister by notice in the *Gazette.*

- *Public sector above R200 000*
- *Private sector above R3,0 million*
- (NHBRC homes exempt)

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Reporting requirements

Midvaal must within one month of the following cases notify the CID Board regarding the nature of financial and management support provided to potentially emerging enterprises and the benefit derived there from:

- award of the contract
- issue of practical completion certificate
- settling all amounts owing to the contractor in accordance with the contract, as determined by the employer (final completion)
- renewal, cancellation or termination of contract
- entering into arbitration or litigation

TRANSITIONAL ARRANGEMENTS (UNTIL REVISION OF REGULATIONS):

Public sector

Regulations are deemed to be satisfied in the public sector if the following is undertaken on the CIDB website:

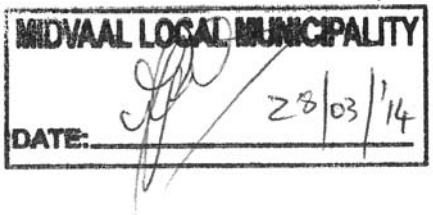
- advertise competitive tenders on i-tender@cidb
- register award of tender (cidb website); and
- register award of non-competitive tenders and
- cancellations on the cidb website

Batched registration (electronic data file) may be made at least monthly.

53. Process for the Restriction of Suppliers from doing business with Council

The Accounting Officer is empowered to restrict companies or persons from doing business with the public sector for a period not exceeding 10 years if such companies or persons have obtained preferences fraudulently or failed to perform on a contract based on the specified goals.

The procedures to be followed when contemplating and imposing such restrictions are contained in MFMA Circulars No. 43, 46, 52 and 56 available on the National Treasury website. Any restriction imposed by an Accounting Officer must be forwarded to the National Treasury for loading onto the central *Database of Restricted Suppliers*.



The following internal control measures must be followed by Midvaal Local Municipality:

The report on non-compliance and non-performance by a supplier as identified/stipulated in the National Treasury circulars must be forwarded to the Performance and Systems Management Co-coordinator by the HOD/delegate or project manager assigned to the project, in writing.

The Performance and Systems Management Co-coordinator or HOD must investigate the allegations and circumstances and give a formal report to the Bid Adjudication Committee for a recommendation on any discrepancies.

The supplier is then, depending on the nature of transgression, either restricted to do business with Midvaal Local Municipality for a period not exceeding 10 years or in the case of a serious transgression, following formal legal/SAPS court or other proceedings blacklisted with Council and National Treasury for period not exceeding 10 years.

54. CONTRACT MANAGEMENT

(1) Application

The contract management provisions below are applicable only to contracts for the provision of goods or services.

(2) Competency

All contracts must be administered by an official(s) having the necessary competencies to ensure effective management of the contract.

(3) Maintenance and Contract Administration

(a) Contracts related to the procurement of goods and services will be captured on the *Venus* system in the form of a price schedule.

(b) Value (where the maximum value of the contract is restricted) and volume (where the maximum units procured are restricted) based contracts will be used.

(c) The use of fixed price, fixed term contracts will be promoted and expenditure will be driven towards contracts versus once-off purchases.

(d) Consolidated (Citywide) procurement volumes have to dive down the negotiated contract prices.

(e) Contract price adjustments shall be processed only in accordance with contract terms and conditions. Price adjustments shall be made on the procurement contract and any current purchase orders shall be changed to reflect the new price.

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(4) Contract Administration

Contract administration is the last stage of the tendering and contract cycle, and includes all administrative duties associated with a contract after it is executed, including contract review.

The effectiveness of contract administration will depend on how thoroughly the earlier steps were completed. Changes can be made far more readily early in the tendering cycle than after contract management has commenced.

Some of the key early stages, which influence the effectiveness of contract administration include - :

(a) Defining the output, that is, writing specifications which identify what the aims and outputs of a contract will be;
(b) assessing risk;
(c) researching the market place (including conducting pre-tender briefings);
(d) formulating appropriate terms and conditions of contract;
(e) identifying appropriate performance measures and benchmarks so that all parties know in advance what is expected, and how it will be tested;
(f) actively creating competition, so the best possible suppliers bid for contracts; and
(g) evaluating bids competently, to select the best contractor, with a strong customer focus and good prospects of building a sound relationship.

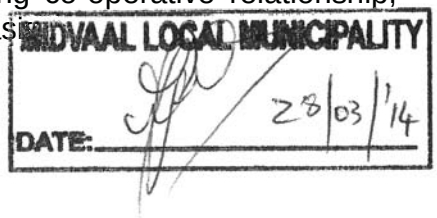
(5) Levels of Contract Administration

There are three levels of contract administration:

a) The first operational level is for standard contracts for goods and services. Day to day contract administration should become no more than a monitoring, record keeping and payment authorization role. A standard contract, which requires excessive administration, is almost certainly the product of a failure in contract preparation stages. An example of an operational contract would be a stationery contract.

b) The second or intermediate level is for more complex contracts for services. An example would be a contract to outsource cleaning services. This type of contract will require a more active role for the contract manager in developing the relationship between the Municipality and the contractor.

c) The third level is for strategic contracts involving complex partnerships and outsourcing arrangements. These contracts need more active management of the business relationships between the supplier and the users, for example to manage outputs and not the process. Sufficient resources need to be dedicated by all parties to successfully manage these contractor relationships and, where feasible, to achieve partnership. A partnership is the result of mutual commitment to a continuing co-operative relationship, rather than parties working on a competitive and adversarial bas



(6) Appointing a Contract Manager

(a) A contract manager should be appointed by the senior official in charge of the project prior to the execution of the contract.

(b) Where it is practical to do so, the contract manager should be involved at the earliest stage of the acquisition, which is the time of writing the specification. Contract administration arrangements should be identified and planned including who, how, delegations, reporting requirements and relationships and specific task responsibilities.

(c) Departments shall be responsible for ensuring that contract managers:

i) prepare the contract administration plan.
ii) monitor the performance of the contractor.
iii) are appointed with appropriate responsibility and accountability;

(d) are adequately trained so that they can perform and exercise the responsibility; and

(e) act with due care and diligence and observe all accounting and legal requirements.

(7) Duties and Powers of Contract Manager

(a) The contract manager's duties and powers shall be governed by the conditions of contract and the general law.

(b) The contract manager shall also be required to form opinions and make decisions, and in doing so is expected to be even-handed and prudent.

(8) Contract Guidelines

(a) A guideline, which provides a description of the roles and responsibilities of a contract manager during the contract administration stage, shall be documented.

(b) This following is not an exhaustive description of contract administrative activities, and some tasks may not be carried out in the sequence presented, may be done concurrently with other tasks, or may not be necessary in some circumstances.

(9) Delegation to Contract Administration

(a) Where appropriate, a contract manager may delegate some contract administration duties to a contract administrator.

(b) The contract administrator would usually be required to perform duties related to processes for record keeping and authorizing payment and collecting data on the contractor performance.

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(c) The contract manager will however remain ultimately responsible for the performance of the contract.

(10) Contract Management Process

(a) The contract manager shall ensure the contractor fulfils its obligations and accepts its liabilities under the contract and must also ensure the contractors are treated fairly and honestly.
(b) Both parties adhering to the agreed terms will result in:-

i) value for money;
ii) timeliness;
iii) cost effectiveness; and
iv) contract performance.

(11) Document Retention

The need exists to retain documents on a contract file for information and audit purposes, and in order to comply with the requirements of the records office.

(12) Records Office

Proper records regarding all aspects of the contract must accordingly be maintained.

(13) Guidelines on Contract Administration

The responsibilities of a contract manager may include the following:

a) establishing a contract management plan for the project;

b) reviewing the contract management process (including the plan) on a regular basis;

c) providing liaison between internal managers and users, and suppliers to identify and resolve issues as they arise;

d) monitoring the contractor's continuing performance against contract obligations;

e) providing the contractor with advice and information regarding developments within the department, where such developments are likely to affect the products provided;

f) determining if staged products should continue, and providing a procurement process for additional stages which meet the principle of obtaining value for money;

g) providing accurate and timely reporting to the senior management in charge of the project, highlighting significant performance issues or problems;

h) ensuring insurance policy(s) terms and conditions provide adequate protection for MLM and are maintained throughout the contract period;

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i) ensuring all products provided are certified as meeting the specifications before the supplier is paid;

j) maintaining adequate records (paper and/or electronic) in sufficient detail on an appropriate contract file to provide an audit trail;

k) managing contract change procedures;

l) resolving disputes as they arise;

m) conducting post contract reviews; and

n) pursuing remedies in the event of contract breach.

55. Contracts having budgetary implications beyond three financial years

MLM may not enter into any contract that will impose financial obligations beyond the three years covered in the annual budget for that financial year, unless the requirements of Section 33 of the Municipal Finance Management Act have been fully complied with, e.g. the rendering of the compilation of the valuation and supplementary valuation roll services, bank services or where grant/loan funding has been secured.

56. Increase/Extension in contract sum/period

(a) Any increase and/or extension in the approved contract sum that may become necessary as a result of **exceptional circumstances** during the contract period, must be approved by the appropriate bid committees prior to implementation. This excludes all annual/bi-annual/quarterly CPI/PPI increases provided for in the bidding documents as approved by the bid adjudication committee at the inception of the bids. These increases will however be scrutinised by the Heads of Departments for budget purposes and the bidders be informed of the status quo per formal letter prior to updating the contracts.

(b) Where community participation has been a part of the project, the community must be advised of the proposed increase and be invited to provide written comment.

(c) Any unapproved increase in the contract sum must be explained in a report to the Accounting Officer, requesting condonation for of such unapproved increase.

Unsuccessful condonation applications must be dealt with in the appropriate provisos of MLM.

57. Commencement

This Policy takes effect on **01 JULY 2014.**

Review Midvaal SCM Policy March 2014/CK

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ANNEXURE A

MIDVAAL LOCAL MUNICIPALITY
REQUEST FOR THE SCM UNIT PROCEED WITH THE RELEVANT BID PROCESS
KINDLY ATTACH THIS FORM TO THE DETAILED AND COMPLETE SPECIFICATIONS

CONTRACT NUMBER: _____ *(if applicable)* **PLEASE NOTE:** ***ATTACH A COPY OF BUDGET / RESOLUTION RELEVANT TO THIS BID***

DEPARTMENT:		DIVISION:		WARD NO	
PLEASE INDICATE TYPE OF PRO-FORMA DOCUMENT USED:					
DETAILED PROJECT DESCRIPTION:					

VOTE NUMBER: (Please tick)		CAPITAL	OPERATIONAL	SOURCE OF INCOME: CRR/EXTERNAL LOAN/GRANT (e.g.: MIG, DAC, DWAF, SEDIBENG, ETC) (Please submit supporting documents)	

ESTIMATED VALUE:	R	POINT SYSTEM:		EVALUATION CRITERIA FOR PROFESSIONAL SERVICES/ PROPOSALS	CAN THE BID BE AWARDED TO MORE THAN ONE COMPANY?
Expenditure schedule for duration of project on monthly basis attached to application	YES / NO	90/10	80/20		
				STANDARD	YES/NO

IS THIS PROJECT BUDGETED FOR?	YES / NO	WILL SURETY/GUARANTEE BE APPLICABLE TO THIS BID? Please indicate %	YES/NO _____%	IS A COMPULSORY SITE /CLARIFICATION MEETING NEEDED?	YES / NO
				INDICATE PROPOSED DATE, TIME AND VENUE	

Projected cash flow:	Quarter 1: R		Quarter 2: R		Quarter 3: R		Quarter 4: R	Next financial years:	20_____ R	20_____ R	
	ONCE-OFF BID		1 YEAR BID		2 YEAR BID		3 YEAR BID	5 YEAR BID	VALIDITY PERIOD 60/90/120 DAYS (min 60 days)	_____ DAYS	

Please indicate the special conditions (sc) applicable on this bid, *e.g. local labour & training, labour based projects, conditional grants, etc.* *Please note that the SC is the sole responsibility of the relevant department & to submit such documents to the scm unit to ensure that it is included in the bidding documents giving special attention to penalty clauses & sureties, etc.*	Special Conditions of contract are other than that stipulated in the General Conditions of Contract prescribed by National Treasury. A pro-forma of SC are available from the SCM unit which needs to be amended and updated in accordance to the relevancy of the proposed bid to be initiated. OTHER CONDITIONS *(DETAILED DOCUMENTS)* TO BE *SUBMITTED TO THE SCM UNIT ELECTRONICALLY*

DETAILS OF PROJECT MANAGER/END USER:				DETAILS OF CONSULTANT (IF APPLICABLE)			
NAME:				NAME:			
TEL. NO.:		FAX NO:		TEL. NO.		FAX NO:	
CELL NUMBER:				CELL NUMBER:			
E-MAIL ADDRESS:				E-MAIL ADDRESS:			

OFFICIAL USE: SUPPLY CHAIN MANAGEMENT UNIT & EXPENDITURE

BID / PROPOSAL NO:		DOC. FEE:	R	CLOSING DATE:	
PROJECT APPROVED ON BUDGET?			YES / NO	DOCS. AVAILABLE FROM:	
AD PUBLISHING DATE:		MEDIA TO BE USED FOR PLACEMENT OF ADS IF ABOVE R200 000			
APPROVED TO BE ADVERTISED BY:				DATE:	

PLEASE NOTE, THAT DEPARTMENTS ARE ***SOLELY*** RESPONSIBLE FOR BID/PROPOSAL ***SPECIFICATIONS*** AS WELL AS THE ***CORRESPONDING SCHEDULE OF PRICES*** AS THE SUPPLY CHAIN MANAGEMENT UNIT ***WILL NOT*** ACCEPT ANY RESPONSIBILITY FOR ANY INCORRECT OR INCOMPLETE SPECIFICATIONS. THE ADVERTISEMENT WILL ONLY BE PLACED IN THE MEDIA ONCE THE BID SPECIFICATIONS COMMITTEE HAS APPROVED THE SPECIFICATIONS. *ALL SPECIFICATIONS NEEDS TO BE FORWARDED TO THE SCM UNIT ELECTRONICALLY*

REQUESTED BY:

NAME AND SURNAME	**SIGNATURE**	**DATE**

MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/'14

APPROVED BY THE EXECUTIVE DIRECTOR: _____ _____ _____

NAME AND SURNAME **SIGNATURE**

ANNEXURE B

Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

APPLICATION FOR EX POST FACTO APPROVAL: FORM A

TO: HEAD OF DEPARTMENT: _____

Application is hereby made for ex post facto approval for:

Indicate under which circumstances action was taken.

In case of an emergency ☐ OR In case of best interest to the state: ☐

It is hereby certified that the action did not occur as a result of negligence or ignorance, that the action was taken with care and coincided with what is expected of a reasonable person and that no fruitless expenditure has been incurred.

SUBMITTED BY: _____ _____

NAME **DATE**

_____ _____

DESIGNATION **SIGNATURE**

SECTION: _____ **TEL:** _____

Instruction for the completion of this application form

1. The policy and procedures for irregular actions (ex post facto approval) and emergency services is applicable and must be adhered to at all times.

2. This application (Form A) must be accompanied by either a completed Form B or C.

3. The application must be completed in full giving detailed explanatory notes in which the circumstances are explained.

4. All Applications must be signed by the Requestor, the HOD for submission to the SCM Unit will peruse and check legal compliance and forward it to the the Executive Director: Financial Services and the Municipal Manager for approval.

5. The SCM unit will report to the council on such approval.

MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/14

CASES OF EMERGENCY: FORM B

(please tick where applicable)

NB: This form must be completed and submitted under cover of the completed Form A, in matters where action was taken in the case of an emergency (as defined in Section 36 of this policy).								
QUESTIONNAIRE	**DESCRIPTION**							
Describe full participates of the circumstances that could not be foreseen:								
Outline the dangerous/perilous condition, misery/defect or life threat that occurred as a result of the state of emergency, or could have resulted, or damage that could have been incurred								
Indicate what was intended with the action in order to relieve, stem or to prevent the state of emergency.								
Date and time the requirement came know	DATE		TIME		NAME			
The supplier was instruction as follows:		Against a contract awarded Bid number: _____		Order placed (Order number: _____)			As a verbal instruction: Name: _____	
Date and time the instruction was given	DATE		TIME		NAME			
Date and time the emergency works were completed by the appointed contractor	DATE		TIME		NAME			
What attempts were made to obtain prior authorisation from the bidding committee or HOD?								

MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/14

Is the pricing of the works required market related? Please elaborate.	

PTO

CASES OF EMERGENCY: FORM B (CONTINUED)

Did the application arise from an Audit inquiry?	No		Yes (give details)		
REQUEST SUBMITTED BY:	_____ USER DEPARTMENT	_____ NAME	_____ DATE	_____ SIGNATURE	
DELEGATED APPROVAL	**YES/NO**	**PLEASE INDICATE IN THE BOX IF THE EX-POST FACT IS APPROVED OR NOT**			
		HEAD OF DEPARTMENT	_____ NAME	_____ DATE	_____ SIGNATURE
		ED: FINANCIAL SERVICES	_____ NAME	_____ DATE	_____ SIGNATURE
		MUNICIPAL MANAGER	_____ NAME	_____ DATE	_____ SIGNATURE

MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/14

BEST INTEREST: FORM C

(please tick where applicable)

NB: This form must be completed and submitted under cover of Form A in cases where action was taken in the best interest of the state.							
QUESTIONNAIRE	**DESCRIPTION**						
Furnish and motivate the reasons for the urgent action							
Motivate the negative results that could have occurred if prescribed bidding procedures were taken and a comparison of the result that was brought about by this section							
Did the unauthorised action yield better results than would have been yielded if the prescribed bidding procedures had been followed? Motivate							
Date and time the requirement came know	DATE		TIME		NAME		
The supplier was instruction as follows:		Against a contract awarded Bid number: _____		Order placed (Order number: _____)		As a verbal instruction: Name: _____	
Date and time the instruction was given	DATE		TIME		NAME		
Date and time the required works were completed by the appointed contractor	DATE		TIME		NAME		

MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/14

What attempts were made to obtain prior authorisation from the bidding committee or HOD?	

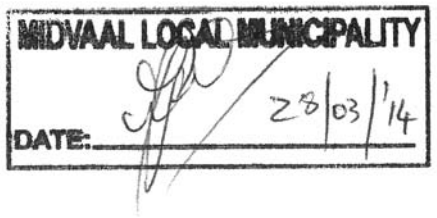
PTO

BEST INTEREST: FORM C (Continued)

Is the pricing of the works required market related? Please elaborate.						
Indicate whether the action can be attributed to negligence. If not, motivate.						
Indicate whether any fruitless expenditure/damage has occurred. If not, motivate.						
Did the application arise from an Audit inquiry?	No		Yes (give details)			
REQUEST SUBMITTED BY:	_____ USER DEPARTMENT		_____ NAME	_____ DATE	_____ SIGNATURE	
DELEGATED APPROVAL	**YES/NO**	**PLEASE INDICATE IN THE BOX IF THE EX-POST FACT IS APPROVED OR NOT**				
		HEAD OF DEPARTMENT	_____ NAME	_____ DATE	_____ SIGNATURE	
		ED: FINANCIAL SERVICES	_____ NAME	_____ DATE	_____ SIGNATURE	

MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/14

		MUNICIPAL MANAGER	_____ NAME	_____ DATE	_____ SIGNATURE



ANNEXURE C

Midvaal Local Municipality
Contact Details
PO Box 9, Meyerton 1960
Tel: 016-360-7521
016-360-7400
www.midvaal.gov.za

INTERNAL MEMORANDUM

MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/14

TO: SUPPLY CHAIN MANAGEMENT UNIT

FROM: EXECUTIVE DIRECTOR: _____

DATE: _____ FILE REF: _____

REQUEST FOR PLACEMENT OF ADS / NOTICES / PRESS RELEASES / VACANCIES / BID IN THE PRESS

Kindly obtain quotations for an advertisement to be placed in the media as follows:

LOCAL MEDIA (MOOIVAAL)		COMMUNITY MEDIA		NATIONAL MEDIA		GOVERNMENT MEDIA	
Meyerton Ster		Henley Herald		The Star		Government Gazette	
Sedibeng Ster		The Courier		Die Beeld		Provincial Gazette	
Vereeniging Ster		Walkerville Village; Valley Views; Eikenhof Echo; De Deur Village Gazette; Meyerton Meander; River Valley Reporter; Daleside Village Reporter; Klipriver Valley Views; Vaal Marina Village Bulletin; Midvaal Meander *		Rapport/City Press Combo		Tender Bulletin	
Vanderbijlpark Ster				Business Day			
Sasolburg Ster				Mail & Guardian			
Vaal Weekblad				Sunday Independent			
Lesedi		* *These community papers are managed through Terry Scott paying one fee for all of the above distributed in the relevant areas.* *Deadline 5th of each month, as printing takes place on 10h & deliveries 15th of each month.*		The Sowetan			
All Mooivaal papers' deadline: Tuesday's 10:00 at the Printers one week prior to placement (including signed off proofs and quotes) ***See distribution areas below.***				The Sunday Times		*The deadline for Government Printers is Wednesday's 10:00 two weeks prior to placement in the Gazette's or Bulletins and payable upfront.*	
				The Citizen			
Loxton				Sondag			
				Daily Sun			
				Deadlines for these media is usually Wednesday's 10:00 one week prior to placement (including signed off proofs and quotes)			

SEDIBENG DISTRIBUTION: 101 000 DISTRIBUTION PER WEEK

AREAS: Sharpville, Vanderbijlpark, Vereeniging, Sicelo, Rust-ter-Vaal, Roshnee, Steelpark, Bedworthpark, West side park, Palmsprings, Evaton, Evaton North, Bophelong, Sebokeng (all zones), Orange Farms and Boipatong.

MEYERTON STER: 9 100 DISTRIBUTION PER WEEK

AREAS: Daleside, Golf Park, Groendenne, Henley-on-klip, Kookrus, Meyerton, Randvaal, Redan, Riversdale, Rothdene, Small Farms, Industury ext 1 & 2.

VEREENIGING STER: 23 600 DISTRIBUTION PER WEEK

AREAS: Arconpark, Bertha Staft, Dadaville, Dickensonpark, Drie Riviere, Duncanville, Duncanville Industry, Falconridge, Leeuhof, Maccauvlei, Peacehaven, Powerville, Richmond, Risiville, Roshnee, Rust ter Vaal, Sonlandpark, Sprincol, Steelpark, Unitaspark, Vereeniging, Viljoensdrift, Waldrift.

VANDERBIJLPARK STER: 27 100 DISTRIBUTION PER WEEK

AREAS: Bedworthpark, Bonnanè, Flora Gardens, Vanderbijlpark, S-Area, C-Area, CW-Area, NW 7-Area, CBD and CE 6 Industry.

SASOLBURG STER: 12 900 DISTRIBUTION PER WEEK

AREAS: Clydesdale, Deneysville, Groenpunt, Kragbron, Sasolburg, Vaalpark, Welgelegen, Sasol Industry.

LESEDI NEWSPAPER: 21 000 COPIES PER WEEK

AREAS: Black community in Sedibeng (30% focus on Sedibeng and 70% focus on National) distributed every Thursday.

COURIER: 50 000 COPIES IN THE VAAL TRIANGLE (MONTHLY)

AREAS: Vereeniging, Vanderbijlpark, Sasolburg, Vaal Park, Meyerton and Roshnee. (Estimated 150 000 to 200 000 readers).

SIZE OF AD TO BE PLACED IN THE MEDIA

MOOIVAAL MEDIA				LESEDI		COMMUNITY - WALKERVILLE		COURIER	
BLACK AND WHITE ONLY		FULL COLOUR		FULL COLOUR		BLACK & WHITE		FULL COLOUR	
5 x 6.5 cm		5 x 6.5 cm		18.5 x 12 cm		A4 (full page)		5 x 6 cm	
10 x 6.5 cm		10 x 6.5 cm		11.5 x 9 cm		A5 (half page)		5 x 9 cm (business card)	
10 x 13 cm (Postcard)		10 x 13 cm (Postcard)		8.5 x 6 cm		A6 (quarter page)		10 x 6 cm	
15 x 13 cm		15 x 13 cm		4.5 x 6 cm		One eighth page		10 x 13 cm (A5)	
20 x 13 cm (Quarter page)		20 x 13 cm (Quarter page)		Half page				15 x 13 cm	
20 x 26 cm (Half page)		20 x 26 cm (Half page)		Full Page				Quarter page	
40 x 26 cm (Full page)		40 x 26 cm (Full page)		Flyers per 1000				Half page	
VOTE:								Full page	

Placement date: week of _____20__.

Yours faithfully

_____ _____

NAME: **DESIGNATION:**

MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/'14

SIGNATURE

MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/14

ANNEXURE D

MIDVAAL
Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

CHECKLIST FOR SUPPLY CHAIN PROCESS TO PROCEED

REQUIREMENT	DESCRIPTION	RESPONSIBLE PERSON	YES/NO	DATE/DETAILS
IDP	Was the capital project approved in the IDP – council approval	End user/SCM		
BUDGET	Approved in operational or capital – council approval	End user/SCM		
VOTE NUMBER	Is the vote number allocated	End user/ Finance		
FUNDING SECURED CRR/GRANTS/ DONATIONS	➢ Is the funding in the bank ➢ If not, what are the grant payment requirements: DME/RBIG/MIG/DAC/CRR	End user/Finance		
CASH FLOW/BUDGET	➢ Did finance comment on the cash flow and confirm the funding?	End user/ Finance		
BUILDING PLANS (APPLICABLE TO CIDB CAPITAL PROJECTS)	➢ Have the building plans been approved or been submitted for approval?	End user/ Dev & Plan		
PROJECT FILES (APPLICABLE TO CAPITAL PROJECTS)	➢ Are the project files up to date at finance with all the relevant information pertaining to this bid (capital projects)	SCM		
COMMENTS	➢ Are the comments of all the council departments included in the report to the specs committee?	End user		

DEPARTMENT	COMMENTS	SIGNATURE
SOCIAL SERVICES		
ENGINEERING SERVICES		
DIRECTOR: PMU		
DEV AND PLANNING		
PROTECTION SERVICES		
CORPORATE SERVICES		
HUMAN RESOURCES		
FINANCIAL SERVICES		

REQUEST SUBMITTED BY: _____ **DATE:** _____

DESIGNATION:_____ **SIGNATURE:** _____

MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/'14

TECHNICAL EVALUATION OF THE BIDS RECEIVED FOR BID NUMBER 8/2/ / / : DESCRIPTION OF BID

ANNEXURE E

Technically evaluated by:

Name: _____ _____ _____

Designation: END USER, SUPERVISOR, DIRECTORS AND PMU/BUILD CONTROL ON CONSTRUCTION, ALTERATIONS AND RENOVATIONS OF COUNCIL BUILDINGS AND NEW WORKS

Signatures: _____ _____ _____

Date: _____

Technical findings:

BIDDER	TECHNICAL CAPABILITY	EPWP (if applicable)	* SITE INSPECTION CONDUCTED ON ITEMS OFFERED AND SITE (SIGNED INSPECTION SHEETS)	EXPERIENCE RELEVANT TO THE PROJECT/WORKS	EXPERIENCE CONFIRMED	PRICE COMPARED TO ESTIMATE	COMMENTS

* ***NB:*** *Site inspections conducted may include photos of the premises and plant and equipment offered for this bid. Please ensure that a council representative and the bidder (authorised to sign) signs the attendance and inspection check list of the inspection conducted. The bidders need to have proof on hand of ownership of the vehicles (Natis/registration papers) for vehicles, plant and equipment offered. Bidders also need to have proof that drivers/operators of these items are qualified and have valid licences to drive and operate these vehicles. All vehicles must be inspected for road worthiness. Please check the specifications approved to ensure that all aspects of the specs/scope are being met.*

Vote: _____ **Budget for 2013/2014:** _____

Cost estimate of end user department: _____

Motivation/breakdown for cost estimate: _____

Recommendation:_____

MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/'14

LOGISTICS MANAGEMENT PROCEDURES (JUNE 2013)

ANNEXURE F

Introduction

1. Logistics management must provide for an effective system in order to provide for the setting of inventory levels, placing of orders, receiving and distribution of goods, stores and warehouse management, expediting orders, transport management, vendor performance, and maintenance and contract administration.

GENERAL LOGISTICS

Placing of Orders

1. Purchase orders will be created with reference to requisitions where the supply source is either bids or quotations.

2. All purchase orders will be captured on the MLM's Venus system exclusive of VAT.

3. Standing orders (also known as "framework orders") will be used in cases where longer term arrangements, necessitating interim payments, are required.

4. Purchase order approvals will be systems based and shall be authorized by the Procurement Department only.

Receiving of Goods

1. Goods received will be captured on the MLM Venus system via a Goods Received Note with reference to the relevant purchase order. Where applicable, the Treasury Department's Assets Section (for asset creation) and Insurance Section (for claims) will be informed of the purchase via the MLM Venus system, at the end of the procurement process, in terms of other applicable policies.

2. Deliveries of goods may not exceed the order quantity. Short deliveries will keep the purchase order open until the balance of the order is received or cancelled.

Expediting Orders

1. The purchasing expeditor will be required to monitor and expedite outstanding purchase orders.

2. Reminder letters can be communicated automatically to vendors based on the reminder levels (days before delivery due date) that are set in the purchase order.

Fleet and Fuel Management

The fleet and fuel management policies of MLM must be adhered to at all times.

Vendor Performance

MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/'14

1. The Venus/Intenda system will enable system-based evaluation, based on the vendors' performance with regard to certain pre-determined criteria.

2. This information will be available for future evaluation purposes, contract negotiations and regular feedback to the vendors.

Contract Administration

1. Contract administration includes all administrative duties associated with a contract that has arisen through one of the acquisition/procurement processes described in this policy.

2. All contracts must be administered by a contract manager within the various departments, who will be an internal official assigned to ensure the effective administration of the contract. The contract manager will typically be the internal project manager assigned to the project as a whole, but may also be a cost centre owner or other responsible official.

3. A contract manager must be assigned to each contract and, where possible, should be involved from the earliest stages of the acquisition process.

4. The contract manager's duties and powers shall be governed by the conditions of contract and the general law.

5. In administering a contract, the contract manager will be required to form opinions and make decisions which, while in the Council's best interests, must be fair to all parties concerned.

6. Departmental Heads (Directors) shall be responsible for ensuring that contract managers:

 6.1 are assigned to all contracts within the Department Head's area of responsibility;
 6.2 are adequately trained so that they can exercise the necessary level of responsibility in the performance of their duties.

7. The contract manager shall:

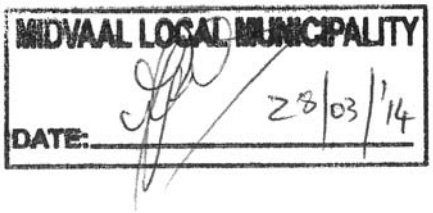
- ensure that all the necessary formalities in signing up the contract and/or issuing the purchase order(s) are adhered to;

- ensure that contracts related to the procurement of goods and services are captured on the Council's Venus system in the form of a price schedule;

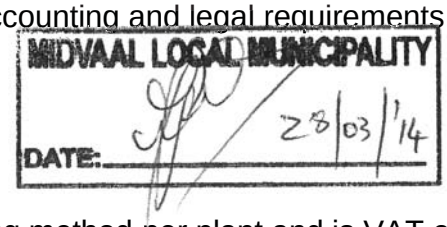
- ensure that all original contract documentation is lodged with the Supply Chain Management Unit and Records section for record purposes;

- monitor the performance of the contractor in order to ensure that all of the terms and conditions of the contract are met in collaboration with the Performance and systems Coordinator;

- where necessary, take appropriate action where a contractor is underperforming or is in default or breach of the contract;



- where appropriate, authorise payments due in terms of the contract by processing payment certificates (if applicable), and ensuring that the necessary Service Entry Sheets or Goods Received Notes are captured on the Council's Venus system;
- manage contract variation or change procedures;
- administer disputes where necessary, in terms of this policy and the applicable Conditions of Contract;
- conduct, as appropriate, post contract reviews;
- maintain adequate records (paper and/or electronic) in sufficient detail on an appropriate contract file to provide an audit trail;
- act with care and diligence and observe all accounting and legal requirements.



STOCK LOGISTICS

Valuation of Stock

1. Stock is valued on the weighted average costing method per plant and is VAT exclusive.
2. VAT is claimed upon purchase and output VAT is accounted for at the time of issue according to the accounting policy.

Setting of Inventory Levels

1. Stock items shall be systematically replenished using the re-order point planning strategy.
2. Open reservations shall be taken into account during the replenishment run.

Issuing of Stock

Goods will be issued from stock with reference to reservations. Goods can be issued for consumption against internal orders, cost centres, projects and assets under construction.

Stock Replenishment

1. Purchase orders will be created, where applicable, with reference to replenishment requisitions in respect of term supply contracts for goods.
2. Replenishment requisition approvals will be systems based.
3. All replenishment will be effected via the Procurement Management System.

Stores Management

1. The stores function shall be decentralised in Midvaal Local Municipality and will operate under the jurisdiction of the Supply Chain Management Department.

2. The Supply Chain Management Department must ensure proper financial and budgetary control; uphold the principle of effective administration, proper stock holding and control, product standardisation, quality of products and a high standard of service levels.

DISPOSAL MANAGEMENT SYSTEM

Goal

1. To give effect to:

 1.1 Regulation 40 of the Supply Chain Management Regulations which requires an effective system for the disposal of letting of assets including unserviceable, redundant or obsolete assets, and

 1.2 the Municipal Asset Transfer Regulations,

 subject to sections 14 and 90 of the Municipal Finance Management Act (MFMA) and any other applicable legislation.

2. As far as possible, assets to be disposed of must be made available to recycling. Disposal to landfill is not allowed unless no recycling options are available.

Disposal Management System

1. Subject to the provisions of the Municipal Asset Transfer Regulations:

 1.1 moveable assets may be sold either by way of written price quotations, a competitive bidding process, auction or at market related prices, whichever is the most advantageous to the Council;

 1.2 immovable property may:

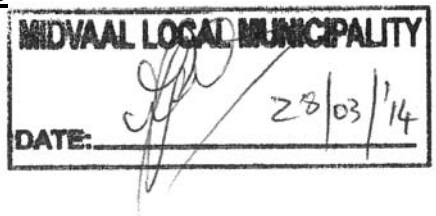
 1.2.1 be sold only at market related prices to the highest bidder, except when the public interest or the plight of the poor demands otherwise;

 1.2.2 let only at market related rates to the highest bidder except when the public interest or the plight of the poor demands otherwise and provided that all charges, rates, tariffs, scales of fees or other charges relating to the letting of immoveable property are annually reviewed;

 1.3 in the case of the free disposal of computer equipment, the provincial department of education must first be approached to indicate within 30 days whether any of the local schools are interested in the equipment;

 1.4 in the case of fire arms, the National Conventional Arms Control Committee must approve any sale or donation of firearms to any person within or outside the Republic.

Transfer or Permanent Disposal of Assets and the Granting of Rights



1. Non-exempted capital assets shall be transferred or permanently disposed of strictly in accordance with Chapter 2 of the Municipal Asset Transfer Regulations.

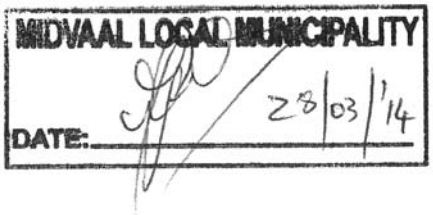
2. Exempted capital assets shall be transferred strictly in accordance with Chapter 3 of the Municipal Asset Transfer Regulations.
3. The granting of rights (where sections 14 and 90 of the MFMA do not apply) by the Council shall be executed strictly in accordance with Chapter 4 of the Municipal Asset Transfer Regulations.

Bidding process/SCM/Policies & Procedure/stores/Logistics management procedures

MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/'14

THE FOLLOWING DOCUMENTS MUST BE READ IN CONJUNCTION WITH THE SUPPLY CHAIN MANAGEMENT POLICY:

- DIVISION OF LEGISLATIVE AND EXECUTIVE FUNCTIONS AND DELEGATIONS OF AUTHORITY (MARCH 2013)
- COUNCIL VEHICLE POLICY (2 DECEMBER 2003)
- VEHICLE REPLACEMENT POLICY (22 MARCH 2012)
- POLICY: PURCHASING OF VEHICLES TO BE DONE VIA THE MECHANICAL WORKSHOP – VEHICLE PROXY (31 MAY 2011)
- POLICY ON UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE (23 JULY 2013)
- POLICY OF THE ACCEPTANCE OF GRANTS, GIFTS, DONATIONS AND SPONSORSHIPS (29 AUGUST 2013)
- SUPPLY CHAIN MANAGEMENT PROCESS TURN-AROUND TIME POLICY (30 JANUARY 2014)
- COMMODITY / SECTOR BASED PROCUREMENT POLICY (28 NOVEMBER 2013)
- ISSUING AND USE OF FUEL POLICY (2014)
- STORES MANAGEMENT POLICY (2014)



MIDVAAL
LOCAL MUNICIPALITY

MUNICIPAL SUPPLY CHAIN MANAGEMENT

POLICY AND PROCEDURES

MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/'14

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3. Amendment of supply chain management policy
4. Delegation of supply chain management powers and duties
5. Sub-delegations
6. Oversight role of council
7. Supply chain management units
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CHAPTER 2

SUPPLY CHAIN MANAGEMENT SYSTEM

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10. System of demand management

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11. System of acquisition management
12. Range of procurement processes and supporting programs
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14. Lists of accredited prospective providers
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MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/'14

16. Written or verbal quotations

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23. Procedure for handling, opening and recording of bids

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30. Procurement of banking services

31. Procurement of IT related goods or services

32. Procurement of goods and services under contracts secured by other organs of state

33. Procurement of goods necessitating special safety arrangements

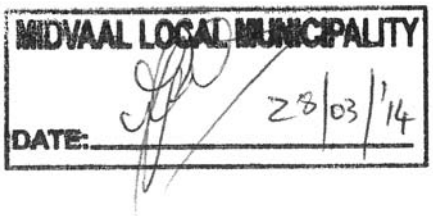
34. Proudly SA Campaign

35. Appointment of consultants

36. Deviation from, and ratification of minor breaches of procurement processes

37. Unsolicited bids

38. Combating of abuse of supply chain management system

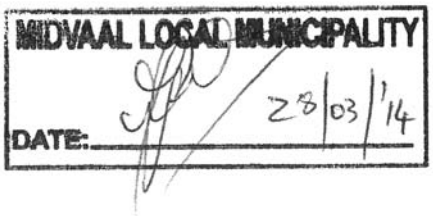


PART 3: LOGISTICS, DISPOSAL, RISK AND PERFORMANCE MANAGEMENT

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56. Increase/extension in contract sum/period
57. Implementation date



1. DEFINITIONS

In this policy, unless the context otherwise indicates, a word or expression to which a meaning has been assigned in the Act has the same meaning as in the Act, and –

"Competitive bidding process" means a competitive bidding process referred to in Section 12.1 (1) (d) to (e) of this policy;

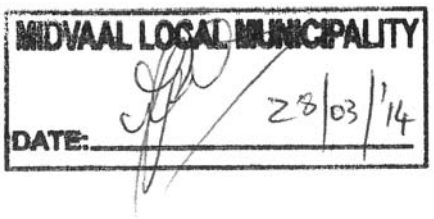
"Competitive bid" means a bid in terms of a competitive bidding process;

"CIDB" means Construction Industry Development Board Act, Act 38 of 2000;

"Final award", in relation to bids or quotations submitted for a contract, means the final decision on which bid or quote to accept;

"Formal written price quotation" means quotations referred to in Section 12.1 (1) (a) to (c) of this policy;

"In the service of the state" means to be –



(a) a member of –

(i) any municipal council;

(ii) any provincial legislature; or

(iii) the National Assembly or the National Council of Provinces;

(b) a member of the board of directors of any municipal entity;

(c) an official of any municipality or municipal entity;

(d) an employee of any national or provincial department, national or provincial public entity or constitutional institution within the meaning of Public Finance Management Act, 1999 (Act no. 1 of 1999);

(e) a member of the accounting authority or any national or provincial public entity; or

(f) an employee of Parliament or a provincial legislature;

"Long term contract" means a contract with a duration period exceeding one year;

"List of accredited prospective providers" means the list of accredited prospective providers which a Municipality must keep in terms of Section 14 of this policy;

"Database of restricted bidders" means the database of bidders restricted from doing business with a Municipality as set out in paragraph 53 of this policy as defined in Circulars 43, 46, 52 and 56 of National Treasury.
"Other applicable legislation" means any other legislation applicable to the municipal Supply Chain Management, including but not limited to –

(a) the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000), the PPPFA regulations and all amendments;

(b) The Broad Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003), the regulations and all amendments; and

(c) The Construction Industry Development Board Act, 2000 (Act No. 38 of 2000), the regulations and all amendments.

(d) The Prevention and Combating of of Corrupt Activities Act, 2004 (Act No. 12 of 2003), the regulations and all amendments.

(e) The Competition Act, 1998 (Act 89 of 1998), the regulations and all amendments.

"Petty Cash", means a small amount of cash kept on hand for incidental purchases of low value goods and services (i.e. postage, office suppliers, reimbursement out-of-pocket expenditures), which cannot be accommodated through other purchasing procedures. Petty cash may not be used for payroll payments, inventory, capital goods, entertainment expense, travel expenses and other personal obligations.

"Single source": refers to when the competition exist in the market, but from a selected few suppliers due to technical capabilities and abilities comply with the requirements of the municipality.

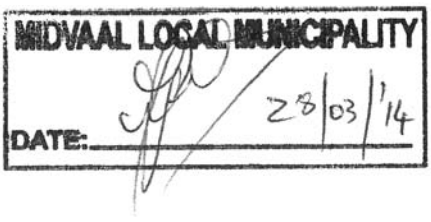
"Sole Supplier:" It refers in instances where there is no competition and only one service provider exist in the market, with sole distribution rights and/or patent rights or manufacturer.

" Strip & quote:" When the repairs and maintenance on our machines, vehicles are done by one supplier and/or strip-and-quote, for example a municipal vehicle enters the workshop that needs repairs, however to do the repairs, the vehicle has to be send to a supplier that determines what repairs 6 should be done.

"Treasury guidelines" means any guidelines on supply chain management issued by the Minister in terms of section 168 of the Act;

"The Act" means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);

"The Regulations" means the Local Government: Municipal Finance Management Act, 2003, Municipal Supply Chain Management Regulations published by Government Notice 868 of 2005 and all amendments;



“Written or verbal quotations” means quotations referred to in paragraph 12(1)(b) of this Policy.

“The Council” means the Midvaal Local Municipality abbreviated to MLM.

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CHAPTER 1

IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT POLICY

2. Supply chain management policy

(1) All officials and other role players in the supply chain management system of the Midvaal Local Municipality must implement this Policy in a way that –

(a) gives effect to –

(i) section 217 of the Constitution; and
(ii) Part 1 of Chapter 11 and other applicable provisions of the Act;

(b) is fair, equitable, transparent, competitive and cost effective;

(c) complies with –

(i) the Regulations; and
(ii) any minimum norms and standards that may be prescribed in terms of section 168 of the Act;

(d) is consistent with other applicable legislation;

(e) does not undermine the objective for uniformity in supply chain management systems between organs of state in all spheres; and

(f) is consistent with national economic policy concerning the promotion of investments and doing business with the public sector.

(2) This Policy applies when the Midvaal Local Municipality –

(a) procures goods or services;
(b) disposes goods no longer needed;
(c) selects contractors to provide assistance in the provision of municipal services otherwise than in circumstances where Chapter 8 of the Municipal Systems Act applies; or
(d) selects external mechanisms referred to in section 80 (1) (b) of the Municipal Systems Act for the provision of municipal services in circumstances contemplated in section 83 of that Act.

(3) This Policy, except where provided otherwise, does not apply in respect of the procurement of goods and services contemplated in section 110(2) of the Act, including:

(a) water from the Department of Water Affairs or a public entity, another municipality or a municipal entity; and

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(b) electricity from Eskom or another public entity, another municipality or a municipal entity.

3. Amendment of the supply chain management policy

(1) The accounting officer must –

(a) at least annually review the implementation of this Policy; and

(b) when the accounting officer considers it necessary, submit proposals for the amendment of this Policy to the **council**

(2) If the accounting officer submits proposed amendments to the **council** that differ from the model policy issued by the National Treasury, the accounting officer must –

(a) ensure that such proposed amendments comply with the Regulations; and
(b) report any deviation from the model policy to the National Treasury and the relevant provincial treasury.

(3) When amending this supply chain management policy the need for uniformity in supply chain practices, procedures and forms between organs of state in all spheres, particularly to promote accessibility of supply chain management systems for small businesses must be taken into account.

4. Delegation of supply chain management powers and duties

(1) The **council** hereby delegates all powers and duties to the accounting officer which are necessary to enable the accounting officer –

(a) to discharge the supply chain management responsibilities conferred on accounting officers in terms of –

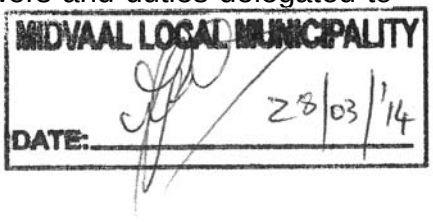
(i) Chapter 8 or 10 of the Act; and
(ii) this Policy;

(b) to maximise administrative and operational efficiency in the implementation of this Policy;

(c) to enforce reasonable cost-effective measures for the prevention of fraud, corruption, favouritism and unfair and irregular practices in the implementation of this Policy; and

(d) to comply with his or her responsibilities in terms of section 115 and other applicable provisions of the Act.

(2) Sections 79 and 106 of the Act apply to the sub-delegation of powers and duties delegated to an accounting officer in terms of subparagraph (1).



(3) The accounting officer may not sub-delegate any supply chain management powers or duties to a person who is not an official of the Midvaal Local Municipality or to a committee which is not exclusively composed of officials of the Midvaal Local Municipality;

(4) This paragraph may not be read as permitting an official to whom the power to make final awards has been delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in paragraph 26 of this Policy.

5. Sub-delegations

(1) The accounting officer may in terms of section 79 or 106 of the Act sub-delegate any supply chain management powers and duties, including those delegated to the accounting officer in terms of this Policy, but any such sub-delegation must be consistent with subparagraph (2) of this paragraph, paragraph 4 of this Policy and as set out in the Systems of Delegations of Executive Director: Financial Services.

(2) The Municipal Manager hereby sub-delegates the following and gives power to make a final award -

(a) above R10 million (VAT included) may not be sub-delegated and is thus to be awarded by the Accounting Officer only;

(b) above R200 000-00 (VAT included), but not exceeding R10 million (VAT included), is hereby sub-delegated to –

(i) The Chief Financial Officer and/or

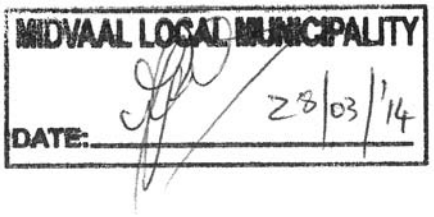
(ii) The bid adjudication committee (as comprised below) of which the chief financial officer or a senior manager is a member consisting of the following Executive Directors or persons acting in their stead:

- Executive Director: Financial Services
- Executive Director: Community Services
- Executive Director: Corporate Services
- Executive Director: Protection Services
- Executive Director: Engineering Services
- Executive Director: Development & Planning
- Executive Director: Management Services

(c) not exceeding R200 000-00 (VAT inclusive) is hereby sub-delegated as follows –

(i) The Chief Financial Officer to approve acquisitions between R30 000 and R200 000 vat inclusive;

(ii) The following is sub-delegated by the CFO to a manager directly accountable to the Chief Financial Officer:



(a) The Deputy Chief Financial Officer to approve acquisitions between R2 000 and R30 000 (vat inclusive);

(b) The Director: Expenditure to approve acquisitions between R500 and R2 000 (vat inclusive);

(c) The Assistant Director: Expenditure to approve acquisitions between R0 and R500 (vat inclusive).

(3) The bid adjudication committee to which the power to make final awards has been sub-delegated in accordance with subparagraph (2) (b) must within ten days of the end of each month submit to the official referred to in subparagraph (4) a written report containing particulars of each final award made by such committee during that month, including:

- the amount of the award;
- the name of the person to whom the award was made; and
- the reason why the award was made to that person.

(4) A written report referred to in subparagraph 2 (b) (ii) must be submitted –

(a) to the accounting officer, in the case of an award by –

(i) the chief financial officer;

(ii) a bid adjudication committee of which the chief financial officer or a senior manager is a member; or

(b) to the chief financial officer or the senior manager responsible for the relevant bid, in the case of an award by –

(i) a manager referred to in subparagraph (2)(c)(ii); or

(ii) a bid adjudication committee of which the chief financial officer or a senior manager is not a member.

(5) Subparagraphs (3) and (4) of this policy do not apply to procurements out of petty cash.

(6) This paragraph may not be interpreted as permitting an official to whom the power to make final awards has been sub-delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in paragraph 26 of this Policy.

(7) No supply chain management decision-making powers may be delegated to an advisor or consultant. Advisors and Consultants may attend bid specifications and bid

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evaluation committees in their professional capacity and limited to consultants appointed by council as principle agents, who were either involved with drafting of specifications and technical evaluation of bids under their supervision as per their appointment. Both Bid Specifications and Bid Evaluation Committees **do not** have decision-making or award powers only recommendation powers.

6. Oversight role of council

(1) The council reserves its right to maintain oversight over the implementation of this Policy.

(2) For the purposes of such oversight the accounting officer of MLM must:

(a) (I) Within 30 days of the end of each financial year, submit a report on the implementation of this Policy and the supply chain management policy of any municipal entity under the sole or shared control of MLM, to the council of the Midvaal Local Municipality; and

(ii) whenever there are serious and material problems in the implementation of this Policy, immediately submit a report **to the council**.

(3) The accounting officer must, within 10 days of the end of each quarter, submit a report on the implementation of the supply chain management policy to the **mayor.**

(4) The reports must be made public in accordance with section 21A of the Municipal Systems Act.

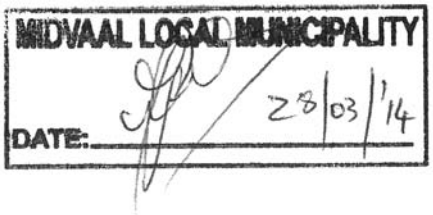
7. Supply chain management unit

(1) A supply chain management unit is hereby established to implement this Policy.

(2) The supply chain management unit operates under the direct supervision of the Chief Financial Officer or an official to whom this duty has been delegated in terms of section 82 of the Act.

8. Training of supply chain management officials

The training of officials involved in implementing this Policy should be in accordance with national Treasury: Local Government: Municipal Finance Management Act: Municipal Regulations on Minimum Competency Levels dated 15/06/2007 and any other Treasury guidelines on supply chain management training.



CHAPTER 2

SUPPLY CHAIN MANAGEMENT SYSTEM

9. Format of supply chain management system

This Policy provides systems for –

(i) demand management;

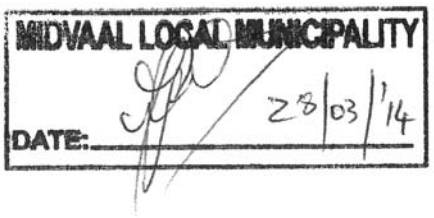
(ii) acquisition management;

(ii) logistics management;

(iv) disposal management;

(v) risk management; and

(vi) performance management.



PART 1: DEMAND MANAGEMENT

10. System of demand management

(1) The accounting officer must establish and implement an appropriate demand management system in order to ensure that the resources required by the **Midvaal Local Municipality** support its operational commitments and its strategic goals outlined in the Integrated Development Plan. This section must be read with Circular 1 of 2014 issued by Gauteng Provincial Treasury dated 03/01/2014.

(2) The demand management system must –

(a) include timely planning and management processes to ensure that all goods and services required by the **Midvaal Local Municipality** are quantified, budgeted for and timely and effectively delivered at the right locations and at the critical delivery dates, and are of the appropriate quality and quantity at a fair cost;

(b) take into account any benefits of economies of scale that may be derived in the case of acquisitions of a repetitive nature (such as long term contracts); and

(c) provide for the compilation of the required specifications to ensure that its needs are met;

(d) Take into account past spending analysis;

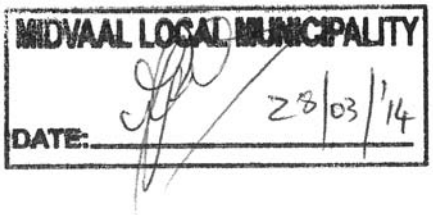
(e) undertake appropriate industry analysis and research to ensure that innovations and technological benefits are maximised to the extent appropriate and within the available resources.

(3) Request to proceed with the supply chain process:

The end user to submit the fully completed and signed request ***(Annexure "A")*** for bid process to the SCM unit to proceed with the relevant supply chain process to procure the required goods and services.

The specifications must be compiled as follows:

- Background why and how the goods and/or services required will be utilised (e.g. service delivery, legal compliancy, etc);
- Cost estimate of goods and services required based on actual market research and /or breakdown of services based on e.g. labour, fuel, travel, insurance, etc.
- Budget and funding sources be confirmed;
- Proposed cash flow expenditure over the term of contract;
- Technical requirements including methodology, scope of works, unit of measures and minimum requirements;



PART 2: ACQUISITION MANAGEMENT

11. System of acquisition management

(1) The accounting officer must implement the system of acquisition management set out in this Part in order to ensure –

(a) that goods and services are procured by the **Midvaal Local Municipality** in accordance with authorised processes only;

(b) that expenditure on goods and services is incurred in terms of an approved budget in terms of section 15 of the Act;

(c) that the threshold values for the different procurement processes are complied with;

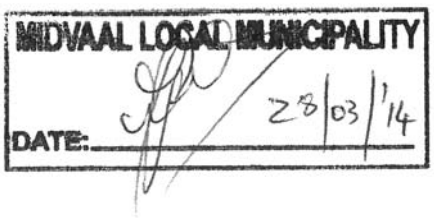
(d) that bid documentation, evaluation and adjudication criteria, and general conditions of a contract, are in accordance with any applicable legislation; and

(e) that any Treasury guidelines (as per the circulars issued) on acquisition management are properly taken into account.

(2) When procuring goods or services contemplated in section 110(2) of the Act, the accounting officer must make public on the website the fact that such goods or services are procured otherwise than through the **Midvaal Local Municipality**'s supply chain management system, including –

(a) the kind of goods or services; and

(b) the name of the supplier.



12. Range of procurement processes

12.1 Goods and services may only be procured by way of –

(a) One written quotation for petty cash purchases, up to a transaction value of R500-00 (vat inclusive) per case. A valid tax invoice or cash slip must be handed in within 2 (two) days.

(b) One written quotation for procurement of a transaction value over R500-01 up to R2 000-00 (vat inclusive);

(c) 3 written quotations for procurement of a transaction value over R2 000-01 up to R30 000-00 (vat inclusive);

(d) Competitive 7 – day bidding process for procurement of a transaction value over R30 000-01 up to R200 000-00 (vat inclusive); and

(e) a formal competitive bidding process for–

(i) procurement above a transaction value of R200 000-01 (VAT included); and

(ii) the procurement of long term contracts.

12.2 THE ACCOUNTING OFFICER MAY, IN WRITING-

(a) Lower, but not increase, the different threshold values specified in subparagraph (12.1); or

(b) Direct that –

(i) written or verbal quotations be obtained for any specific procurement of a transaction value lower than R2 000;

(ii) formal written price quotations be obtained for any specific procurement of a transaction value lower than R30 000; or

(iii) a competitive bidding process be followed for any specific procurement of a transaction value lower than R200 000.

12.3 THE FOLLOWING THRESHOLD VALUES FOR PROCUREMENT OF PURCHASES BETWEEN R0-01 TO R200 000-00 IS HEREBY ADOPTED BY MIDVAAL LOCAL MUNICIPALITY AND IS TO BE ADHERED TO AT ALL TIMES:

Purchases for amounts between R0-01 and R500-00 (per request)

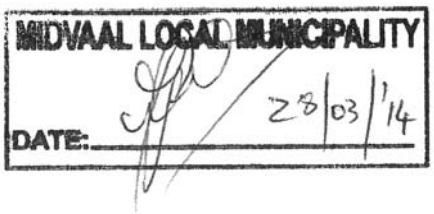
A petty cash voucher is completed and authorised by the HOD and CFO/delegate. A valid tax invoice or cash slip must be handed in within 2 days to prevent money from being deducted from salary.

Purchases for amounts between R500-01 and R2 000-00

A minimum of 1 written quote is required. Official general requisitions are to be authorized by the Head of Department and CFO/delegate. An order is placed against written confirmation from the selected supplier by the SCMU.

Purchases for amounts between R2 000-01 and R30 000-00

Three written quotes will be required. Official general requisitions are to be authorized by the Head of Department and CFO/delegate. An order is placed against written confirmation from the selected supplier by the SCMU.



Purchases for amounts between R30 000-01 and R200 000-00

The SCM Unit must ensure that the competitive 7-day bid process is followed in accordance with the Preferential Procurement Policy Framework Act 5 of 2000, its regulations and amendments for purchases in this range as well as the CIDB regulations where required. An invite to quote for goods and services is placed on the website and notice boards for 7 days.

Detailed specifications need to be signed off prior to placement of ad at an informal specifications committee meeting.

The submitted bids will be commercially evaluated on receipt thereof at the time and date of closing by the SMC unit and the relevant members who approved the specifications including the end user department /requestor are invited for the technical perusal and inspection (where required) in collaboration with the other departments (where applicable).

The informal evaluation committee to take minutes and submit an approval memo under the signature of the end user department HOD to the CFO for approval and printing of an order to be signed off by the HOD and CFO or an appointment letter to be signed off by the HOD and CFO.

Purchases for amounts above R200 000-01

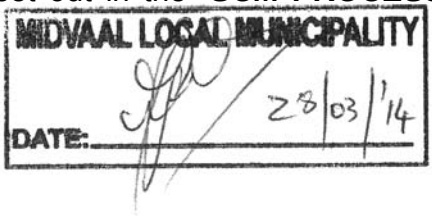
The formal bid process must be followed in accordance with the Preferential Procurement Policy Framework Act 5 of 2000, its regulations and its amendments as well as the CIDB regulations where required. Detailed specifications need to be signed off prior to placement of ad at a formal specifications committee meeting as appointed by the Accounting Officer.

The submitted bids will be commercially evaluated on receipt thereof at the time and date of closing by the SMC unit and the bids will be evaluated, conduct site inspections (where required) in collaboration with the other departments (where applicable) by the members who approved the specifications and a representative from the Supply Chain Management Unit.

A recommendation is formalised at the bid evaluation meeting and SCM will table the agenda report to the Bid Adjudication Committee for approval. The SCM unit will print an order to be signed off by the HOD and CFO/delegate or compile the appointment letter to be signed off by the HOD and CFO on approval of the bid committee.

COMPLIANCE WITH RELATED POLICIES:

All purchases of goods and services as sset out in the Range of procurement processes are required to follow the processes and procedures as set out in the "***COMMODITY/SECTOR BASED PROCUREMENT POLICY"*** within the time frame as set out in the "***SCM PROCESS TURN-AROUND TIME POLICY".***



12.4 SUNDRY PAYMENTS

The following line items are not required to be procured through the SCM process.

The end user to complete and submit the sundry documents with the original invoice to the SCM unit to check for legal compliancy:

- Audit fees;
- Bank Charges;
- Bursaries and student practical work;
- Election Activities
- Compensation for injuries and diseases;
- Legal expenses (outside the formal bid process – limited to ad hoc services)
- Congresses/Prof meetings (S & T);
- License fees;
- Donations/grants by Council;
- Postage;
- Entertainment; Finance – cash collection;
- Mayoral donations;
- Medical expenses not on contract;
- Membership fees;
- Telecommunications (Telkom)
- Nutritional care;
- Reference books and magazines;
- Insurance claims;
- Ward committee allowances;
- Randwater,
- Inter-departmental charges
- Eskom,
- All employee/Councillors related costs;
- Debit orders;
- Purchase of specialised Library equipment & books;

NB. Even though the abovementioned services do not follow formal bid process, a Service Level Agreement or contract must be in place for each service mentioned where applicable.

- Fixed term service contracts appointed through the formal bid process where it is difficult to identify beforehand what the total quantity of work will be done on sundry payments (e.g. maintenance of tarred roads, vacuum tank services, Maintenance of sewer pipelines, etc.) clearly marked with the bid number.

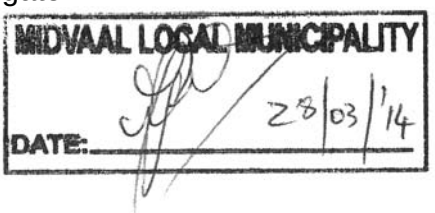
- Purchases less than R2 000-00 (vat inclusive) for emergency situations may be sourced directly from vendors listed on Midvaal's accredited data list and paid by Sundry payment with the approval of the HOD and CFO/Director: Expenditure.

All the above requests must be signed by the requestor, the HOD and CFO/delegate.

All other fixed contracts and items not on contract must follow the relevant SCM processes and systems.

No orders will be amended to include extra work not authorised through the correct processes and therefore the orders will not be cancelled to accommodate such work or payments.

Any additional work/services must be requested through the correct SCM process and a new order be printed for approval by the HOD and CFO/delegate.



All printed orders except for the IT orders are to be collected from the SCM office on a daily basis.

12.5 SPLITTING OF WORKS/SERVICES

NB! Goods or services may not deliberately be split into parts or items of a lesser value merely to avoid complying with the requirements of the policy. When determining transaction values, a requirement for goods or services consisting of different parts or items must, as far as possible, be treated and dealt with as a single transaction.

12.6 EMERGENCY/AFTER HOUR SERVICES

Any works or services procured after hours or during an emergency situation as defined in the MFMA, may be paid on a Sundry Payment request and the following to be attached:

- The original tax invoice
- The fully completed and signed ex post facto forms as set out hereunder.

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IRREGULAR ACTIONS (EX POST FACTO APPROVAL) AND EMERGENCY SERVICES POLICY AND PROCEDURES

(8/1/P)

Section 36 of the Supply Chain Management Regulations (Gazette 27636, 30 May 2005) – Deviation from, and ratification of minor breaches of, procurement process reads as follows:

"The accounting officer may –

(a) Dispense with the official procurement processes established by this Policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –

(i) in an emergency;

(ii) if such goods or services are produced or available from a single provider only;

(iii) for the acquisition of special works of art or historical objects where specifications are difficult to compile;

(iv) acquisition of animals for zoos and/or nature and game reserves; or

(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes; and

(b) ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature.

(2) The accounting officer must record the reasons for any deviations in terms of subparagraphs (1)(a) and (b) of this policy and report them to the next meeting of the council and include as a note to the annual financial statements.

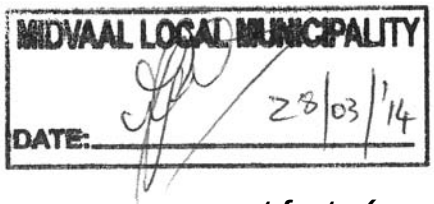
(3) Subparagraph (2) does not apply to the procurement of goods and services contemplated in paragraph 11(2) of this policy."

To comply with these regulations it is necessary to put a process in place for purchases where it is impractical to follow the formal bid process for emergency cases.

The Executive Director and Municipal Manager may approve any action of an end-user within the power conferred upon them by the Council ***ex post facto***, provided that the they are satisfied that such action of the end-user took place in circumstances of emergency or otherwise was in the best interest of the state.

It must also be done without negligence, provided that the Council has not suffered any damage as a result thereof.

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The CFO and MM, as delegated, may approve, *ex post facto (approval after the time),* any action of an end-user if they are satisfied about the following:

i) As a result of circumstances which could not be foreseen, immediate action was needed in order to relieve, prevent, or to stem a dangerous or perilous condition, misery, defect or damage which might have been or was brought about as a result of this condition; or

ii) Where such action of the end-user was of such urgency in order to obtain, gain or to promote a financial or material advantage for the Council, that time did not allow for the use of the services of the Supply Chain Management, or prior approval from the bidding committee.

Where a lack of action could have harmed the esteem or image of the Council, provided that the bidding committee is satisfied with the following:

- That the action did not originate as a result of negligence;
- That the action was taken with care and conforms with what is expected from a reasonable person, and
- That no fruitless expenditure was incurred as a result of the action.

When irregular action that has resulted in the conclusion of a contract is submitted for consideration, the following must be indicated:

i) In respect of cases where emergency is pleaded:

- An indication of the circumstances which could not be foreseen;
- An outline of the specific dangerous or perilous conditions, misery or defect that occurred as a result thereof or the damage it could have brought about;
- What was aimed at with the action in order to relieve, stem and/or prevent the condition; and
- Proof to the effect that, seen in retrospect, what the actual result of the action was with regard to the appointed goal.

ii) In cases where best interest is pleaded, the following must be fully motivated:

- The reason for urgent action;
- The negative result that could have occurred if prescribed bidding procedures were taken a comparison of the result that was brought about by the action; and
- Whether the unauthorised action yielded better results than would have been yielded if the prescribed bidding procedures had been followed**.**

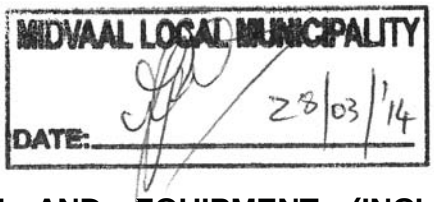
iii) <u>In respect of both emergency and best interest</u>:

- The exact detail of time and timescale applicable at the time of action;
- What attempts were made to obtain prior authorisation from the bidding committee;
- The manner of handling invitation of price quotation and/or bids, placement of order and payment;
- The conditions which were applicable; and how the price analysis and comparison with normal price was made.

In order to facilitate the consideration of applications, all applications for ***ex post facto*** approval in cases of emergency or in the best interest of the Council must be submitted on ***forms A, B and C*** which are attached as ***Annexure B***.

When it is obvious that an unauthorised action did not comply with the requirements for ***ex post facto*** approval e.g. when damage or loss is present or loss is present

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12.7 C.O.F AND STRIP & QUOTES ON PLANT AND EQUIPMENT (INCLUDING ELECTRICAL EQUIPMENT) FOR REPAIRS AND MAINTENANCE:

The mechanical workshop and or other departmental representative authorised in writing by the Accounting Officer, may rotate COF and strip and quotes on vehicle, plant and equipment for repairs and maintenance jobs amongst the accredited service providers listed on the data base using the rotation basis. The SCM unit can be contacted directly to access the rotation register that is maintained on a continuous basis.

The mechanical workshop and or other departmental representative authorised in writing by the Accounting Officer, may source the quotations and request an order following the SCM process for approval by the relevant HOD. The representatives are responsible to collect the order from Finance and give directly to the company for the repairs and maintenance. The invoices will be signed off after inspection of the repairs and maintenance to vehicles, plant and equipment by the MLM representatives and relevant HOD.

12.8 STOCK ON HAND

- That small amounts of cable required as a once-off be purchased on an as and when required basis following a closed 7 day process whereby the accredited vendors on MLM database is invited to submit a tender for these items.

- Electrical, water and sewer items currently in stock be kept to a minimum for emergency purposes;

- All fixed contract items on a three year contract with directory numbers, be collected by delegated persons within the electrical, water and sewer departments on an as and when required basis from the suppliers that were appointed as “stores” with 24 hour access. The delegated persons may pick up the required bid contract items directly from the appointed bidders by producing a works order request as referred to in the MLM Stores Management Policy attached hereto signed by the Supervisor in terms of delegated authority, to the supplier and upon receipt, collect the original tax invoice. The collecting person is required to write their name, surname, contact number, date and signature on the delivery note and invoice.

- Same process to be followed for emergency after hour collections restricted to the Directory items on fixed contract.

- The sundry payment requests and invoices are to be signed by the end user and Head of Department and submitted to the Supply Chain Unit who will confirm the items against the contract and capture the purchased items on the Intenda system for record and budget purposes.

- That items not on contract that may be required to complete a call out or emergency situation may be collected from these suppliers holding stores, limited to after hour situations (between 16:01 pm and 07:29 am the following day). The ex-post facto forms to be completed and signed with the sundry payment request.

- That costs incurred for the purchase of non-contract items not following the normal supply chain process during office hours will constitute a breach of procurement processes.

12.9 PURCHASING OF NEW VEHICLES

(i) The end user is responsible to draw up the detailed specification and such specifications for new purchases are to be commented on by all the departments including the fleet co-ordinator in collaboration with the workshop manager.

(ii) New vehicle purchases to be delivered to the mechanical workshop to ensure that all administrative processes are followed (opening of vehicle file, bar coding, logo, licence, etc.) The end user in collaboration with the workshop manager to inspect the vehicles delivered for defects and specification compliance.

(iii) The final acceptance form (available from the fleet coordinator to be signed off by the workshop manager/fleet co-ordinator and head of the end user department.

(iv) If a particular make and model of vehicle has been identified, all suppliers/dealers of such vehicles in the MLM, and if possible and practical also within the district, must be invited to submit a bid.

12.10 CONTRACT MANAGEMENT AND PERFORMANCE MANAGEMENT SYSTEMS

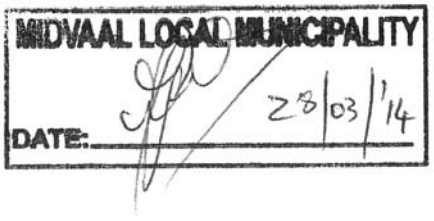
The Accounting Officer hereby delegates all signing of contracts to the Executive Director: Corporate Services and should the ED: Corporate Services not be available to sign the contracts, the Accounting Officer will sign. Contract and project management, acceptance/notification letters and PMS must be implemented by the relevant end user department to conform to procurement process in collaboration with the PM Unit and to comply with Section 116 of the MFMA Act, Act 56 of 2003.

All PMS documents need to be completed and singed in full upon appointment. The PMS must be monitored on the monthly/quarterly basis as set out in the PMS document. Any deviations or non-compliance issues needs to be addressed as set out in the general conditions of contract, special conditions of contract and Section 53 of this policy.

Any deviating suppliers must promptly be reported to the SCM Unit to investigate probable cause to restrict the defaulting bidder to National Treasury.

12.11 EPWP requirements for labour intensive projects

Midvaal LM supports labour intensive construction and other services relating to where physical labour is required. All service providers will be required to maximize the use of local unemployed labour on projects or when supplying or delivering services to MLM. All relevant questionnaires and reports are to be completed in full and submitted as part of the bid documents.



12.11 PURCHASES AND PAYABLES RECORDING FUNCTION

On receipt of a supplier invoice, it is checked with the appropriate goods received note or delivery note for quantity. The clerical accuracy of the invoice must also be checked to prove the accuracy of its total rand amount. The invoice, stamped and initialled as correct, is then filed with the relevant delivery note and order form attached thereto.

No invoices will be entered in the purchases record unless passed as correct as evidenced by the signature of the HOD/SCMU.

The following is a diagrammatic depiction of the requisitioning, ordering, receipt of and payments for goods and services ***(Diagramme 1)***:

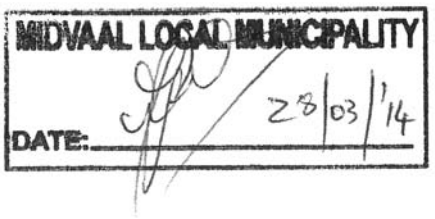
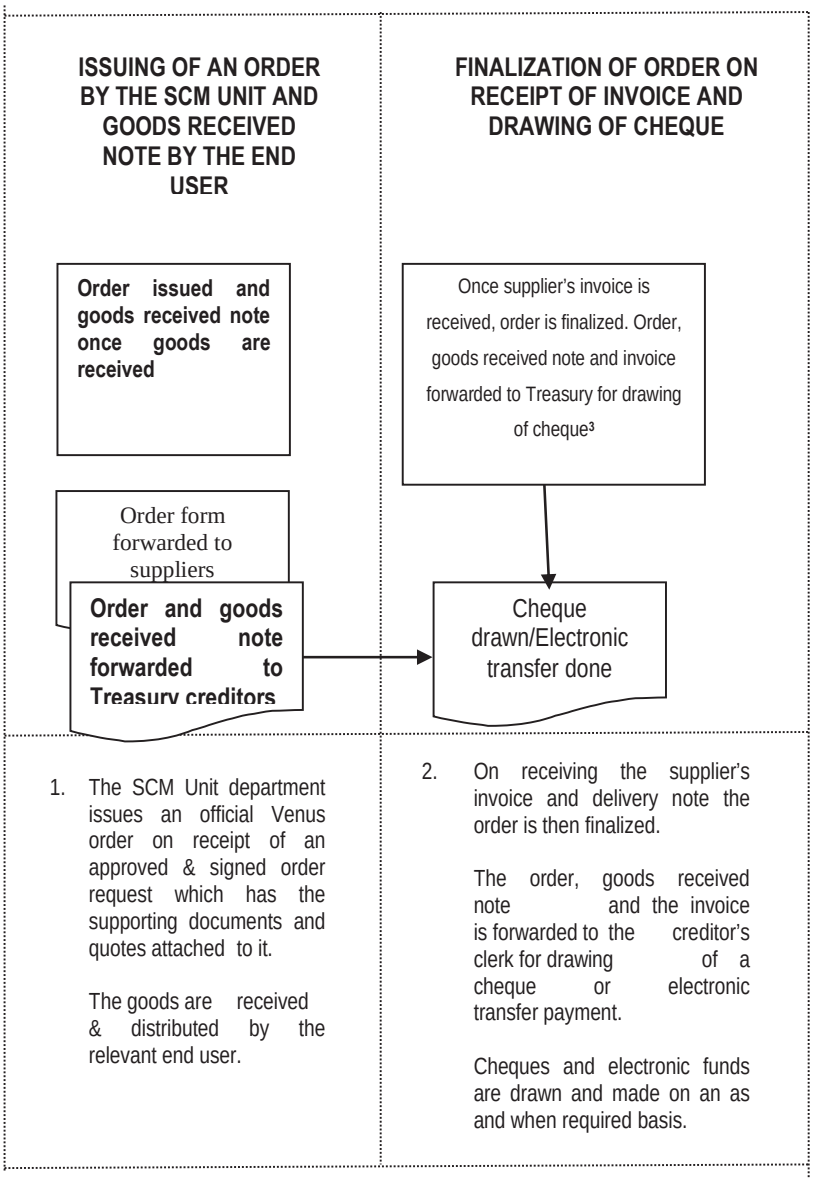


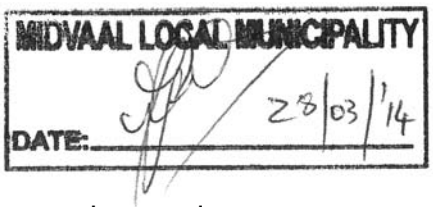
Diagramme 1 **Stores and sundry purchases and payments to suppliers and sundry creditor's flowchart**



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13. General preconditions for consideration of written quotations or bids

A written quotation or bid may not be considered unless the provider who submitted the quotation or bid –



(a) has furnished that provider's –

(i) full name;

(ii) identification number or company or other registration number; and

(iii) tax reference number and VAT registration number, if any;

(b) has authorised the Midvaal Local Municipality to confirm with the South African Revenue Services that the provider's tax matters are in order; and

(c) has indicated –

(i) whether he or she is in the service of the state, or has been in the service of the state in the previous twelve months;

(ii) if the provider is not a natural person, whether any of its directors, managers, principal shareholders or stakeholder is in the service of the state, or has been in the service of the state in the previous twelve months;

(iii) whether a spouse, child or parent of the provider or of a director, manager, shareholder or stakeholder referred to in subparagraph (ii) is in the service of the state, or has been in the service of the state in the previous twelve months; and

(iv) that the bidders rates and taxes are not outstanding longer than 90 days.

14. Lists of accredited prospective providers

14.1 The accounting officer must –

(a) keep a list of accredited prospective providers of goods and services that must be used for the procurement requirements through written or verbal quotations and formal written price quotations; and

(b) at least once a year through newspapers commonly circulating locally, the website and any other appropriate ways, invite prospective providers of goods or services to apply for evaluation and listing as accredited prospective providers;

(c) specify the listing criteria for accredited prospective providers;

(d) disallow the listing of any prospective provider whose name appears on the National Treasury's database as a person prohibited from doing business with the public sector;

(f) The Municipal Supply Chain Management Regulation 38(1)(c) requires a supply chain management policy to provide measures for combating abuse of the supply chain management system, and must enable the accounting officer to check the National Treasury's database prior to awarding any contract.

This is to ensure that no contract is entered into with a bidder, or any of its directors, listed as a company or person prohibited from doing business with the public sector. This list is also known as the *Database of Restricted Suppliers*.

To this end, a central *Database of Restricted Suppliers* has been established containing details of companies or persons that have been restricted from doing business with the public sector if the company or person obtained preferences fraudulently or failed to perform on a contract.

14.2 The vendor list must be updated at least quarterly to include any additional prospective providers and any new commodities or types of services. Prospective providers must be allowed to submit applications for listing at any time.

14.3 The vendor list must be compiled per commodity and per type of service.

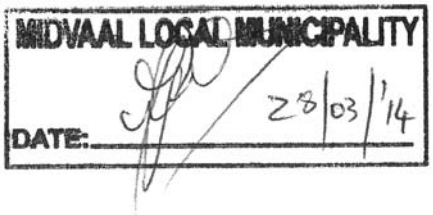
14.4 Any vendor who has been awarded a contract must submit tax clearance certificates, rates and taxes accounts and invoices in the company's name as per the signed contract. Should any company become liquidated or members/owners become insolvent, the contract will be cancelled with that company and a new tender process will be followed.

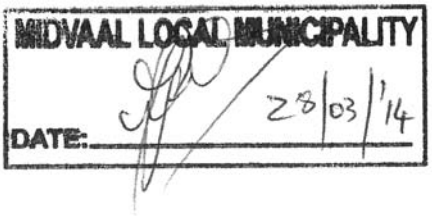
14.5 <u>Checking the Database of Restricted Suppliers</u>

The Accounting Officer is required to verify the status of the recommended bidders [including their director(s)/owner(s)/trustee(s)] by checking the Database of Restricted Suppliers in order to ensure that no recommended bidders or any of their directors/owners/trustees are listed as companies or persons prohibited from doing business with the public sector, prior to awarding a contract - accessible on www.treasury.gov.za (home page/"database of Restricted Suppliers").

This includes contracts emanating from written price quotations in excess of R10 000, competitive bids and limited bids).

In addition, the Accounting Officer is empowered to restrict companies or persons from doing business with the public sector for a period not exceeding 10 years if such companies or persons have obtained preferences fraudulently or failed to perform on a contract based on the specified goals. The procedures to be followed when contemplating and imposing such restrictions are contained in MFMA Circulars 43, 46, 52 and 56 - available on the National Treasury website. Any restriction imposed by an Accounting Officer must be forwarded to the National Treasury for loading onto the central *Database of Restricted Suppliers*.





15. Petty cash purchases (R0-01 to R500-00)

The conditions for the procurement of goods by means of petty cash purchases referred to in paragraph 12 (1) (a) of this Policy, are as follows –

(a) The Accounting Officer hereby delegates the responsibility to the Executive Director: Financial Services to issue petty cash to the various departments.

(b) Petty cash requests not exceeding R500-00 vat included, per transaction may be issued by the approved officials.

The following departments are approved to be issued petty cash floats are restricted as follows:

- Mayor's Office: R1 000-00 per month – approval by the ED: Corporate Services or delegated official.
- Social Services: R3 000-00 per month – approval by the ED: Social Services or delegated official.
- Financial Services: R10 000-00 per month (this includes, average of 5 COF's a month, Engineering Services, Corporate Services, Human Resources, protection Services and Development and Planning) – Approval by the ED: Financial Services or delegated official.

(c) Petty cash purchases are restricted to emergency cases where the necessity is required within 1 day to a maximum of R500-00 vat inclusive that could not have been foreseen.

(d) A monthly reconciliation report from each manager must be provided to the Executive Director: Financial Services/delegated official, including –

(i) the total amount of petty cash purchases for that month; and

(ii) receipts and appropriate documents for each purchase.

16. Written or verbal quotations (R500-01 to R2 000-00)

The conditions for the procurement of goods or services through written or verbal quotations are as follows *(read with section 12.3 of this policy):*

(a) Quotations must be obtained from at least three different providers preferably from, but not limited to, providers whose names appear on the list of accredited prospective providers of the Midvaal Local Municipality provided that if quotations are obtained from providers who are not listed, such providers must meet the listing criteria set out in paragraph 14(1)(c) and (d) of this Policy;

(b) to the extent feasible, providers must be requested to submit such quotations in writing;

(c) if it is not possible to obtain at least three quotations, the reasons must be recorded and reported quarterly to the accounting officer or another official designated by the accounting officer;

(d) the accounting officer must record the names of the potential providers requested to provide such quotations with their quoted prices; and

(e) if a quotation was submitted verbally, the order may be placed only against written confirmation by the selected provider.

17. Formal written price quotations (R2 000-01 to R30 000-00)

17.1 The conditions for the procurement of goods or services through formal written price quotations, are as follows *(read with section 12.3 of this policy):*

(a) quotations must be obtained in writing from at least three different providers whose names appear on the list of accredited prospective providers of the Midvaal Local Municipality;

(b) quotations may be obtained from providers who are not listed, provided that such providers meet the listing criteria set out in paragraph 14(1)(b) and (c) of this Policy;

(c) if it is not possible to obtain at least three quotations, the reasons must be recorded and approved by the chief financial officer or an official designated by the chief financial officer, and

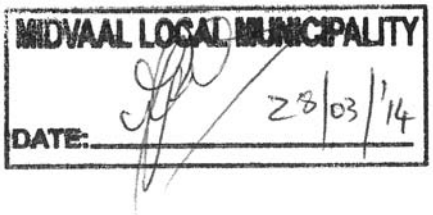
(d) the accounting officer must record the names of the potential providers and their written quotations.

17.2 A designated official referred to in subparagraph (1) (c) must within three days of the end of each month report to the chief financial officer on any approvals given during that month by that official in terms of that subparagraph.

18. Procedures for procuring goods or services through written or verbal quotations and formal written price quotations (R30 000-01 to R200 000-00)

18.1 The procedure for the procurement of goods or services through written or verbal quotations or formal written price quotations is as follows *(read with section 12.3 of this policy):*

(a) When using the list of accredited prospective providers the accounting officer must promote on-going competition amongst providers by inviting providers to submit quotations on a rotation basis;



(b) all requirements in excess of R30 000-01 (VAT included) that are to be procured by means of competitive 7-day bidding process must, in addition to the requirements of paragraph 17, be advertised for at least seven days on the website and an official notice board of the Midvaal Local Municipality;

(c) Offers received must be evaluated on a comparative basis taking into account unconditional discounts;

(d) the accounting officer or chief financial officer must on a monthly basis be notified in writing of all written or verbal quotations and formal written price quotations accepted by an official acting in terms of a sub-delegation;

(e) Offers below R30 000-00 (VAT included) must be awarded based on compliance to specifications and conditions of contract, ability and capability to deliver the goods and services and lowest price;

(f) Acceptable offers, which are subject to the preference points system (PPPFA and associated regulations), must be awarded to the bidder who scored the highest points;

(g) Record of approved specifications, minutes of the evaluation committees and approval memos must be kept on file for audit purposes.

18.2 Internal procedures for the procurement of goods or services through written or verbal quotations or formal written price quotations within MLM is as follows:

(c) Bid specification meetings for a 7-day process are informal between the end-user and SCM unit and signed off by the end-user department, the departmental MMC and the Municipal Manager.

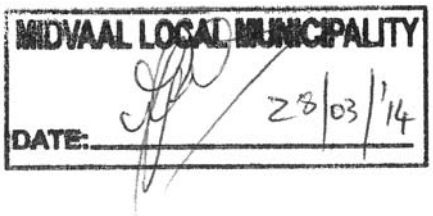
(d) The advertisement is for the approved specifications are advertised for 7-days on the website and notice boards.

(e) On closing day of the tender, bids are opened in public, read and recorded in a bid opening register.

(f) Bids are commercially captured by the SCM unit.

(g) The end-user department and SCM unit hold an informal evaluation meeting and the minutes are kept on file.

(h) A formal recommendation under the signature of the Director: Expenditure/Deputy Director: SCM is made in memo format with supporting documents, to the CFO in terms of the delegated powers in the form of approval memo who approves/declines whereafter an appointment letter (signed by the relevant HOD and or CFO) or official order (singed by the end-user department and COF) is issued to the end-user department for implementation.



19. Competitive bids (Above R200 000-01)

(Read with section 12.3 of this policy)

19.1 Goods or services above a transaction value of R200 000-01 (VAT included) and long term contracts may only be procured through a competitive bidding process, subject to paragraph 11(2) of this Policy.

19.2 No requirement for goods or services above an estimated transaction value of R200 000-01 (VAT included), may deliberately be split into parts or items of lesser value merely for the sake of procuring the goods or services otherwise than through a competitive bidding process.

20. Process for competitive bidding

The procedures for the following stages of a competitive bidding process are as follows:

(a) Compilation of bidding documentation as detailed in Section 21;

(b) Public invitation of bids as detailed in Section 22.1 – 22.6;

(c) Site meetings or briefing sessions as detailed in Section 22 (iii);

(d) Handling of bids submitted in response to public invitation as detailed in Section 23;

(e) Evaluation of bids as detailed in Section 25 & 28;

(f) Award of contracts as detailed in Section 29;

(g) Administration of contracts

(i) After approval of a bid, the accounting officer and the bidder must enter into a written agreement.

(h) Proper record keeping

(i) Original / legal copies of written contracts agreements should be kept in a secure place for reference purposes.

21. Bid documentation for competitive bids

The criteria to which bid documentation for a competitive bidding process must comply, must

(a) take into account –

(i) the general conditions of contract and any special conditions of contract, if specified;

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(ii) any Treasury guidelines on bid documentation; and

(iii) the requirements of the Construction Industry Development Board, in the case of a bid relating to construction, upgrading or refurbishment of buildings or infrastructure;

(b) include the BEE levels as contemplated in the Preferential Procurement Policy Framework Act, Regulations and evaluation and adjudication criteria, including any criteria required by other applicable legislation;

(c) compel bidders to declare any conflict of interest they may have in the transaction for which the bid is submitted;

(d) if the value of the transaction is expected to exceed R10 million (VAT included), require bidders to furnish–

(i) if the bidder is required by law to prepare annual financial statements for auditing, their audited annual financial statements –

(aa) for the past three years; or

(bb) since their establishment if established during the past three years;

(ii) a certificate signed by the bidder certifying that the bidder has no undisputed commitments for municipal services towards a municipality or other service provider in respect of which payment is overdue for more than 30 days;

(iii) particulars of any contracts awarded to the bidder by an organ of state during the past five years, including particulars of any material non-compliance or dispute concerning the execution of such contract;

(iv) a statement indicating whether any portion of the goods or services are expected to be sourced from outside the Republic, and, if so, what portion and whether any portion of payment from the municipality or municipal entity is expected to be transferred out of the Republic; and

(e) stipulate that disputes must be settled by means of mutual consultation, mediation (with or without legal representation), or, when unsuccessful, in a South African court of law.

22. Public invitation for competitive bids

22.1 The procedure for the invitation of competitive bids, is as follows:

(a) Any invitation to prospective providers to submit bids must be by means of a public advertisement in newspapers commonly circulating locally, the website of the municipality or any other appropriate ways (which may include an advertisement in the Government Tender Bulletin); and

(b) the information contained in a public advertisement, must include –

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(i) the closure date for the submission of bids, which may not be less than 30 days in the case of transactions over R10 million (VAT included), or which are of a long term nature, or 14 days in any other case, from the date on which the advertisement is placed in a newspaper, subject to subparagraph (2) of this policy;

(ii) a statement that bids may only be submitted on the bid documentation provided by the Midvaal Local Municipality and be completed in hand writing. Bid documents may not be re-typed and no bids with correction fluid will be accepted. Any corrections are to be crossed out and initialled. Non-initialled corrections will render the bid invalid; and

(iii) date, time and venue of any proposed site meetings or briefing sessions are applicable. All briefing/site meetings are compulsory in MLM to ensure clarity and that all bidders are treated fair and equal. As these are compulsory site inspections, no bids will be accepted if the contractor (who is considered to be a technical representative) has not attended this session and documents will only be accepted from contractors whose names appear on the attendance register.

22.2 The accounting officer may determine a closure date for the submission of bids which is less than the 30 or 14 days requirement, but only if such shorter period can be justified on the grounds of urgency or emergency or any exceptional case where it is impractical or impossible to follow the official procurement process.

22.3 Bids submitted must be sealed and marked clearly with the bid number and description.

22.4 Where bids are requested in electronic format, such bids must be supplemented by sealed hard copies.

22.5 **Procedure for competitive bids**

Efficient planning will facilitate the development of appropriate documentation. Bid requests (specifications) should be as clear and concise as possible and avoid imposing unnecessary cost and effort on respondents. Persons with specialised insight to the proposed service of items may assist with the drafting of the specifications to ensure effective purchasing. These persons may not submit a bid for these works.

Well-prepared bidding documentation gives suppliers the opportunity to prepare appropriately responsive proposals or bids, thereby ensuring that the needs of the **Midvaal Local Municipality** are adequately catered for. The Supply Chain Management Unit in collaboration with the relevant HOD has the responsibility of ensuring that the bidding documentation is of superior quality.

Advertisement and bid documents are drawn up according to the set criteria and specifications in accordance with the General Conditions of Contract and guidelines issued by National Treasury by the Bidding Unit. The specifications are presented to the Bid Specifications Committee for approval prior to placement of ad.

Approved contracts of approved bids are managed by the end user and Head of that department in collaboration with the Performance, Systems Management Co-ordinator.

For the construction industry, documents are set up in accordance with prescripts issued by the Construction Industry Development Board Act 38 of 2000.

All bidders **must** declare any conflict of interest.

22.6 The following procedure will apply:

- An invitation to bid is placed on the website and in the relevant media to be indicated by the Head of Departments submitted to the SMU unit on the designated form ***(Annexure "C")***. The SCM unit will submit the quotations to the relevant HOD to sign off the quotations and proof documents. The original signed documents must reach the SCM unit timeously to ensure that the ad is placed in time.

- The ad should reach the SCM unit by close of office on Monday afternoons as the ads are forwarded to the media companies on Tuesdays for the quotes and approvals.

- The ads will run for one day of the week in the selected media. Depending on the nature of the bid, a min period of two weeks (14 consecutive days) will be given for issuing and completion of bid documents by interested bidders.

- A bid document fee of R250-00 is payable at the rates and taxes hall - finance during office hours Mon to Friday – 07:30 to 15:00. No fees are payable if the documents are downloaded from the website or e-mail. All receipts are kept on file at the SCM Unit until each bid process is complete and filed on the tender files.

- On closing date of bids a minimum of two representative needs to be present at the opening of bids whereof one must be a SCM official.

- The closing date and time is final and no late bids will be accepted. Due to the size of bid documents and original documents needed, no faxed or e-mailed bids will be accepted. All bids must be placed in a sealed envelope clearly marked with MN (municipal notice number), bid number and bid description as indicated on the documents, in the tender box situated on the ground floor of Block "A" and is generally open from Mondays to Friday 07:00 to 16:00.

- Each bid is opened in public and recorded in a register. The bid price and details are read out on request. An attendance register is signed by all present. Each bid is date stamped and signed by the Midvaal officials.

- All documents and registers are taken by the SCM unit to do a commercial evaluation (tax clearance certificates, vat registration, PPPFA regulations, MFMA SCM regulations, etc).

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- The commercial capturing must take the following into account:

 a) who is not registered and verified on the Midvaal Local Municipality's supplier database within seven days of the closing time for bids. In this regard bid documentation shall state that the responsibility for registration and verification rests solely with the bidder;

 b) who, in the case of construction works acquisitions, does not comply with the requirements of the Construction Industry Development Board Act regarding registration of contractors.

 c) Verification of compliance with this requirement shall be by means of Council's Supplier Database and other databases legislatively provided for;

 d) who has failed to submit a valid tax clearance certificate form from the South African Revenue Services (SARS) certifying that the taxes of the bidder are in order or that suitable arrangements have been made with SARS, and

 e) who fails to comply with any applicable Bargaining Council agreements.

- All documents with the commercial report is forwarded to the Bid Evaluation Committee for the evaluation. The Bid Evaluation Committee evaluates all documents not disqualified during the commercial process at this meeting as set out in Section 28 of this policy. A recommendation is formalised for the Bid Adjudication Agenda for final approval by the BAC.

- The Bid Adjudication Committee peruses the documentation and recommendation from the BEC, approves the successful bidder and the Executive Director: Corporate Services signs the contract. A PMS is finalised for the duration of the contract by the end user and Head of that department in collaboration with the Performance, Systems Management Co-ordinator and singed with the bid documents/contract.

- The SCM unit advises the successful bidder whereafter an official order (signed by the end user, HOD and CFO/delegate) **OR** an appointment letter (signed by the HOD and CFO is issued. Should a bidder who has submitted a tender not receive any feedback from the council within three months, it can be accepted that their bid was unsuccessful. The unsuccessful bidder may on written request (in terms of the Access to Information Act) be given reason why their bid was unsuccessful.

- Where retention is applicable, the bidder issues an invoice for the total amount minus the % of retention fees as indicated in the contract. Payment methods must be clearly stipulated in all bid documents especially where construction is involved and must comply with the CIDB Act and its regulations.

- The balance is paid out to the bidder within 30 days of invoice date. On the lapse of the retention period indicated in the contract, the bidder invoices the Council for the % retention amount within five (5) working days prior to Cheque run. The cheque will only on written consent from the HOD who concluded the final inspection be

released/paid. Expenditure section to keep a register for tracking purposes of such retentions for provision in the budgets and money be ring fenced where applicable.

- If and where necessary, any defects occur within the said retention period, the contractor is liable for all costs for repairs or replacements as and where required prior to issue of the Cheque. Any negligent actions detected on the contractor's side, will be deducted from the retention amount and/or construction guarantee, where repairs or replacements were made by Council.

- This includes the request for cancellation letters and or any other correspondence with regards to the contractor relevant to a legal and binding contract, to be forwarded to the SCM unit to draft the relevant letters/correspondence.

- Where the bidder is required to submit a construction guarantee, the bidder must submit the **original** construction guarantee (from a FICA approved institution) valid for a minimum of 1 year to the Supply Chain Management unit within the stipulated time frame (usually 7 days from receipt of official order or approval letter). The guarantee is filed in a safe for safekeeping and released upon written request from the council appointed Project manager signed off by the Head of the department or the delegated employee. The guarantee will be released on the lapsing of the guarantee.

- Latent defects will be dealt with in terms of the relevant industry regulations or prescripts (e.g. JBCC, Colto, GCC, etc) or in the absence of such regulations or prescripts, then in terms of the applicable law (i.e. whether common or otherwise)..

22.7 Re-tender process

This process may be followed where the scope has been reduced to accommodate the budget or where tender specifications have major changes based on amendments following the Bid specification committee approval and must be re-tendered in public.

22.8 Assets

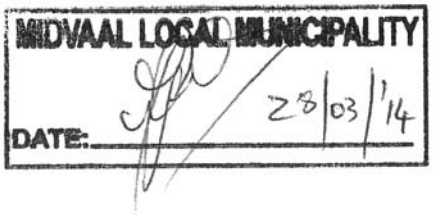
Copies of IT purchase orders are forwarded to the Assets section and insurance departments for bar coding and placement under insurance.

All capital/asset purchases paperwork must be forwarded to the Assets section by the finance section upon delivery for bar coding and asset register capturing.

The Asset section to forward the barcoded paperwork to the Insurance section for placement on insurance.

The Asset section and Insurance sections needs be informed of any council buildings or structures to be included on the asset register and insurance.

22.9 SUB-CONTRACTING



Bidders may sub-contract work to any subcontractor up to a maximum of 25% of the total contract value. Bidders may only sub-contract works over and above 25% of the total contract value to BBBEE graded companies as stipulated in the PPPFA Act Regulations of 2011.

23. Procedure for handling, opening and recording of bids

The procedures for the handling, opening and recording of bids, are as follows:

(a) Bids–

(i) must be opened in public by a two representative in the presence of the bidders and whereof one must be a SCM official;

(ii) must be opened at the same time and as soon as possible after the period for the submission of bids has expired; and

(iii) received after the closing time should not be considered and returned unopened immediately.

(iv) Should the bidder who submitted a late bid not be at the opening or the envelope not have a return address, such bid will be filed un-opened for the duration of the bid process and thereafter be opened to obtain the postal address and the re-sealed envelope returned to the bidder.

(b) Any bidder or member of the public has the right to request that the names of the bidders who submitted bids in time must be read out and, if practical, also each bidder's total bidding price;

(c) No information, except the provisions in **subparagraph (b),** relating to the bid should be disclosed to bidders or other persons until the successful bidder is notified of the award; and

(d) The accounting officer must –

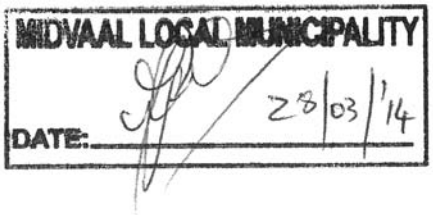
(i) record in a register all bids received in time;

(ii) make the register available for public inspection; and

(iii) publish the entries in the register and the bid results on the website.

24. Negotiations with preferred bidders

(1) The accounting officer may negotiate the final terms of a contract with bidders identified through a competitive bidding process as preferred bidders, provided that such negotiation –



(a) does not allow any preferred bidder a second or unfair opportunity;

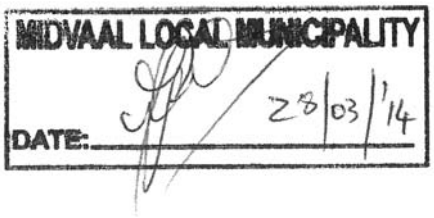
(b) is not to the detriment of any other bidder; and

(c) does not lead to a higher price than the bid as submitted.

(2) Minutes of such negotiations must be kept for record purposes and are minuted by the relevant HOD and forwarded to the SCM unit for filing.

(3) Such negotiation meetings are attended by the relevant HOD, a SCM representative and the bidder.

25. Various bidding process



25.1 Two Stage bidding process:

A two-stage bidding process is allowed for –

(a) large or complex projects;

(b) projects where it may be undesirable/impractical to prepare complete detailed technical specifications; or

(c) long term projects with a duration period exceeding three years (e.g valuators, bank services

(d) this stage must not include prices.

Process of two stages:

a) In the first stage technical proposals on conceptual design or performance specifications are invited, subject to technical as well as commercial clarifications and adjustments.

b) On receipt of such proposals, a suitable design is accepted and formal specifications are drafted and approved at the formal bid specifications committee.

c) In the second stage final technical proposals and priced bids are invited from the bidders who submitted proposals only following a closed bid process.

25.2 Functionality qualifying bidding process

25.2.1 This phase is a two-envelope bidding system that is allowed for:

(a) Procuring specialised services (e.g. consultants, attorneys, etc.) that require accredited training and a reasonable amount of experience in the local government field relating to the demand;

(b) Procuring specialised works/goods (e.g. water, sewer or electrical networks).

25.2.2 Process for the functionality two-envelope bidding system**:**

Bidders are requested to submit two envelopes –

a) First envelope contains the technical methodology to determine whether the bidder understands the scope of works as set out in accordance with the criteria stipulated in the bid documents and that they have the required capacity, experience and resources to successfully complete the project/service.

b) The second envelope will contain the fully completed and singed bidding documents containing the price, returnable documents and PPPFA requirements.

c) Functionality Process

Upon closing of the tender, the technical envelopes are opened first and a formal bid evaluation committee (as appointed by the Accounting Officer and must where possible be the same persons who approved the specifications) in the presence of SCM officials will score the tenders in accordance with the technical methodology and points as set out in the bidding documents. Bidders need to achieve a minimum score of the stipulated points out of 100 before their financial proposals and BEE levels are evaluated.

Qualifying bidder's envelopes containing the priced bid documents are then opened and the price and BEE evaluation completed by the evaluation committee members present. The proceedings are minuted and a recommendation of the highest scoring bidder is formulated to the Bid Adjudication Committee for approval.

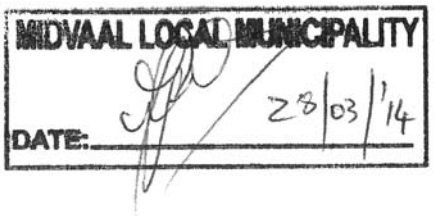
26. Committee system for competitive bids

(1) A committee system for competitive bids is hereby established, consisting of the following committees for all procurement or cluster of procurements as the accounting officer will determine:

(a) a bid specification committee;

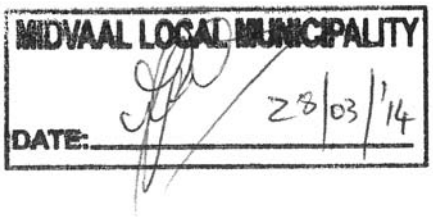
(b) a bid evaluation committee; and

(c) a bid adjudication committee;



(2) The Accounting Officer hereby has delegated the authority to appoint different members for each bid spec and bid evaluation committee relevant to the expertise/knowledge required, to the Bid Adjudication Committee, taking into account section 117 of the Act which excludes Councillors from serving on any SCM committee; and

(3) A neutral or independent observer (Legal/auditor), appointed by the accounting officer, may attend or oversee a committee when this is **appropriate** for ensuring fairness and promoting transparency.



(4) The committee system must be consistent with –

(a) Paragraph 27, 28 and 29 of this Policy; and

(b) Any other applicable legislation.

(5) The accounting officer may apply the committee system to formal written price quotations.

27. Bid specification committees

(1) A bid specification committee must compile the specifications for each procurement of goods or services by the Midvaal Local Municipality.

(2) Specifications –

(a) must be drafted in an unbiased manner to allow all potential suppliers to offer their goods or services;

(b) must take account of any accepted standards such as those issued by Standards South Africa, the International Standards Organisation, or an authority accredited or recognised by the South African National Accreditation System with which the equipment or material or workmanship should comply;

(c) must, where possible, be described in terms of performance required rather than in terms of descriptive characteristics for design;

(d) may not create trade barriers in contract requirements in the forms of specifications, plans, drawings, designs, testing and test methods, packaging, marking or labelling of conformity certification;

(e) may not make reference to any particular trade mark, name, patent, design, type, specific origin or producer unless there is no other sufficiently precise or intelligible way of describing the characteristics of the work, in which case such reference must be accompanied by the word “equivalent” unless this is impractical;

(f) must indicate the BEE level points that may be awarded in terms of the grading system as set out in the Preferential Procurement Regulations 2011;

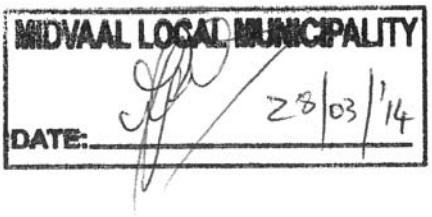
(g) must include the PMS document drafted by the end user in collaboration with the Performance & Systems Management co-ordinator; and

(h) must be approved by the Accounting Officer prior to publication of the invitation for bids in terms of Section 22.1 of this Policy.

(3) A bid specification committee must be composed of a minimum three officials of the Midvaal Local Municipality including the manager/delegate responsible for the function involved, a SCM representative, officials from other departments within MLM who may have valid input/experience relating to the specifications or end result, and may when appropriate, include internal/external specialist advisors upon approval by the Accounting Officer as set out in Section 26.2. Officials from the engineering services, Project management unit and development and planning departments must form part of the specifications committee where construction works are involved.

(4) The signed off checklist (***Annexure "D")*** must accompany the request for supply chain process and specifications.

(5) No person, advisor or corporate entity involved with the bid specification committee, or director of such a corporate entity, may bid for any resulting contracts.



28. <u>Bid evaluation committees</u>

(1) A bid evaluation committee must –

(a) evaluate bids in accordance with –

(i) Commercial evaluation for compliance in terms of valid original tax clearance certificates, check in respect of the recommended bidder whether municipal rates and taxes and municipal service charges are not in arrears, documents completed and signed in full, etc

(ii) Technical compliancy as described in the Oxford dictionary: "Relating to a particular subject, art, craft or its technics relating to special knowledge to be understood" of the specifications for a specific services or items evaluate including each bidder's ability to execute the contract and confirming references relating to such and may include a panel scoring session as set out in Section 25.2.2 (a), (b) and (c).

(iii) Pricing and the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000, its regulations and its amendments) compliance.

(b) submit to the bid adjudication committee a report and recommendations regarding the award of the bid or any other related matter.

(2) A bid evaluation committee must as far as possible be composed of-

(a) the officials who compiled and approved the specifications of the bid under consideration as well as the end user requiring the goods or services; and

(b) at least one supply chain management practitioner of the Midvaal Local Municipality.

(3) The Relevant user department's senior official shall carry out a technical evaluation of all bids received and shall submit a technical report to the Bid Evaluation Committee for consideration in the format attached hereto as ***Annexure "E".*** The criteria must be relevant to the bid specifications and the columns must be amended to include such.

(4) Technical evaluation of bids received, must include and take into account the bidder:-

a) whose bid does not comply with the provisions of Section 38 of this Policy;

b) whose bid does not comply with the provisions of Section 13 of this Policy;

c) whose bid is not in compliance with the specifications;

d) whose bid is not in compliance with the terms and conditions of the bid documentation relevant to the technical aspects of the bid;

29. Bid adjudication committees

(1) A bid adjudication committee must –

(a) Study and consider the report and recommendations of the bid evaluation committee; and

(b) either –

(i) depending on its delegations, make a final award or a recommendation to the accounting officer to make the final award; or

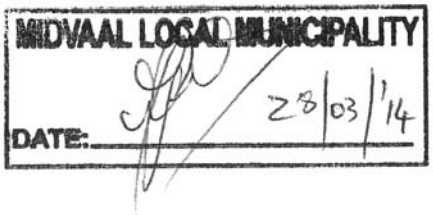
(ii) make another recommendation to the accounting officer how to proceed with the relevant procurement.

(2) A bid adjudication committee must consist of at least four senior managers of the Midvaal Local Municipality which must include –

(a) the chief financial officer or, if the chief financial officer is not available, another manager in the budget and treasury office reporting directly to the chief financial officer and designated by the chief financial officer; and

(b) at least one senior supply chain management practitioner who is an official of the Midvaal Local Municipality and

(c) a technical expert in the relevant field who is an official or an external service provider/expert for clarity reasons may be invited to clarify any queries raised by the Bid Adjudication Committee members, if such an expert exists and have been involved in the specifications and or evaluation process.



Any issues of clarity should be referred to the relevant user department in writing at least 48 hours before the sitting of the BAC Meeting and that the written responses be forwarded to the SCM unit for consideration by the BAC.

Should the bid committee member have been involved in the item under consideration, they must recuse themselves from the decision making process and be recorded/minute as such.

The Accounting Officer hereby appoints the following Bid Adjudication Committee Members:

MEMBERS	NOMINEES
EXECUTIVE DIRECTOR: FINANCIAL SERVICES - CHAIRPERSON	DIRECTOR – EXPENDITURE
EXECUTIVE DIRECTOR: FINANCIAL SERVICES – CHAIRPERSON	DIRECTOR: EXPENDITURE OR DIRECTOR: INCOME OR DIRECTOR: EXPENDITURE
EXECUTIVE DIRECTOR: ENGINEERING SERVICES	DIRECTOR: ENGINEERING SERVICES
EXECUTIVE DIRECTOR: COMMUNITY SERVICES	DIRECTOR: MS & PARKS OR ASSISTANT DIRECTOR HEALTH & COMMUNITY SERVICES
EXECUTIVE DIRECTOR: MANAGEMENT SERVICES	ASSISTANCE DIRECTOR: EAP HIV & AIDS & BENEFITS
EXECUTIVE DIRECTOR: PROTECTION SERVICES	CHIEF FIRE OFFICER
EXECUTIVE DIRECTOR: CORPORATE SERVICES	DIRECTOR: LEGAL AND PERFORMANCE MANAGEMENT OR DIRECTOR: AUXILIARY SERVICES
EXECUTIVE DIRECTOR: DEVELOPMENT & PLANNING	DIRECTOR: DEVELOPMENT AND PLANNING
DIRECTOR – EXPENDITURE (support only)	CHIEF ACCOUNTANT – EXPENDITURE
ACQUISITIONS OFFICER – SCM UNIT (admin and support only)	SUB-ACCOUNTANT – SCM

(3) The accounting officer must appoint the chairperson of the committee if not represented by him/herself. If the chairperson is absent from a meeting, the members of the committee who are present must elect one of them to preside at the meeting.

(4) Neither a member of a bid evaluation committee, nor an advisor or person assisting the evaluation committee, may be a member of a bid adjudication committee.

Should an HOD be involved in a bid evaluation committee and the item serves at the BAC for approval, the relevant HOD is required to declare such and the committee minute his recusal from the decision making under the item as he was involved in the drawing up of the evaluation process.

(5) (a) If the bid adjudication committee decides to award a bid other than the one recommended by the bid evaluation committee, the bid adjudication committee must prior to awarding the bid –

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(i) check in respect of the preferred bidder whether that bidder's municipal rates and taxes and municipal service charges are not in arrears, and;
(ii) notify the accounting officer.

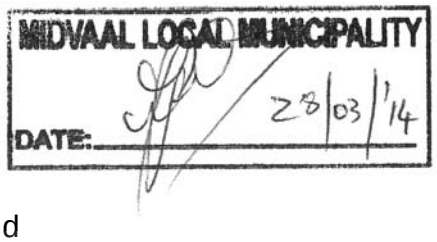
(b) The accounting officer may –

(i) after due consideration of the reasons for the deviation, ratify or reject the decision of the bid adjudication committee referred to in paragraph (a); and
(ii) if the decision of the bid adjudication committee is rejected, refer the decision of the adjudication committee back to that committee for reconsideration.

(6) The accounting officer may at any stage of a bidding process, refer any recommendation made by the evaluation committee or the adjudication committee back to that committee for reconsideration of the recommendation.

(7) The accounting officer must comply with section 114 of the Act within 10 working days.

30. Procurement of banking services



(1) A contract for banking services –

(a) must be procured through competitive bids;

(b) must be consistent with section 7 or 85 of the Act; and

(c) may not be for a period of more than five years at a time.

(2) The process for procuring a contract for banking services must commence at least nine months before the end of an existing contract.

(3) The closure date for the submission of bids may not be less than 60 days from the date on which the advertisement is placed in a newspaper in terms of paragraph 22(1). Bids must be restricted to banks registered in terms of the Banks Act, 1990 (Act No. 94 of 1990).

31. Procurement of IT related goods or services

(1) The accounting officer may request the State Information Technology Agency (SITA) to assist with the acquisition of IT related goods or services through a competitive bidding process.

(2) Both parties must enter into a written agreement to regulate the services rendered by, and the payments to be made to, SITA.

(3) The accounting officer must notify SITA together with a motivation of the IT needs if –

(a) the transaction value of IT related goods or services required in any financial year will exceed R50 million (VAT included); or

(b) the transaction value of a contract to be procured whether for one or more years exceeds R50 million (VAT included).

(4) Should SITA comment on the submission and the Midvaal Local Municipality disagrees with such comments, the comments and the reasons for rejecting or not following such comments must be submitted to the council, the National Treasury, the relevant provincial treasury and the Auditor General.

Internal IT request procedures:

- All IT related purchases (as budgeted for) need to be tabled and approved at the formal IT steering committee prior to following the procurement process.
- The IT department in collaboration with the SCM unit will source the quotations, check the prices and send it to the IT department for verification that the items offered comply with the IT standard specifications. The general requisition is signed by the end-user and approved by the HOD and CFO/delegate.
- The printed order is taken by the IT department and order placed with the successful bidder.
- Ordered IT items to be delivered to the IT department who will check the delivery note and items for compliance in terms of the specifications and install the relevant IT software, get the asset department to bar code and install the items at the end-user's premises/offices.
- The relevant department remains responsible for the payment of the invoices that will be submitted by the IT department.

32. Procurement of goods and services under contracts secured by other organs of state

(1) The accounting officer may procure goods or services under a contract secured by another organ of state, but only if –

(a) the contract has been secured by that other organ of state by means of a competitive bidding process applicable to that organ of state;

(b) there is no reason to believe that such contract was not validly procured;

(c) there are demonstrable discounts or benefits to do so; and

(d) that other organ of state and the provider have consented to such procurement in writing.

(2) Subparagraphs (1)(c) and (d) do not apply if –

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(a) a municipal entity procures goods or services through a contract secured by its parent municipality; or

(b) a municipality procures goods or services through a contract secured by a municipal entity of which it is the parent municipality.

33. Procurement of goods necessitating special safety arrangements

(1) The acquisition and storage of goods in bulk (other than water), which necessitate special safety arrangements, including gasses and fuel, should be avoided where ever possible.

(2) Where the storage of goods in bulk is justified, such justification must be based on sound reasons, including the total cost of ownership, cost advantages and environmental impact and must be approved by the accounting officer.

34. Proudly SA Campaign

The Midvaal Local Municipality supports the Proudly SA Campaign to the extent that, all things being equal, preference is given to procuring local goods and services from:

- Firstly – suppliers and businesses within the Midvaal Local Municipality or district;
- Secondly – suppliers and businesses within the relevant province;
- Thirdly – suppliers and businesses within the Republic.

35. Appointment of consultants

(1) The accounting officer may procure consulting services provided that any Treasury guidelines in respect of consulting services are taken into account when such procurements are made.

(2) Consultancy services must be procured through competitive bids if:

(a) the value of the contract exceeds R200 000 (VAT included); or

(b) the duration period of the contract exceeds one year.

(3) In addition to any requirements prescribed by this policy for competitive bids, bidders must furnish particulars of –

(a) all consultancy services provided to an organ of state in the last five years; and

(b) any similar consultancy services provided to an organ of state in the last five years.

(4) The accounting officer must ensure that copyright in any document produced, and the patent rights or ownership in any plant, machinery, thing, system or process designed or

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devised, by a consultant in the course of the consultancy service is vested in the Midvaal Local Municipality.

(5) **Additional service providers to be utilised by the appointed professional consultants**

Appointed consultants services requires to make use of other professional service providers from time to time that form part of their scope of works within an identified project. The costs are paid by these consultants and Midvaal has no direct link to them. These fees does not form part of the consultant's fee structure.

These services include land surveyors, environmental impact consultants, valuators, attorneys and conveyances, etc.

The following procedures will apply:

1. That where consultants, appointed on a fixed contact by the Bid Adjudication Committee, needs to procure other services necessary for the execution of a project, e.g. land surveyors, environmental impact consultants, valuators, etc. at least three written quotations be sourced from vendors registered on Midvaal Local Municipality's database (accessible from the supply chain unit) if available and in the case of attorneys, that the Council's panel of attorneys as categorised providers for the relevant expertise as required, failing which the appointment can be finalised substantially in accordance with the ED: Corporate Services delegated powers.

 Consultants may approach other service providers should the required services not be listed as a vendor on MLM database.

2. That the quotes be approved prior to appointment, by the relevant Head of Department and the Executive Director: Financial Services where applicable in terms of their delegated authority to ensure sufficient funds are available and value for money.

3. That these services will be paid by the consultant and proof of such must accompany the consultants' invoice request for payment by Midvaal Local Municipality.

4. That all consultants utilise council appointed service providers based on the approved rates procured through a formal tender process that may include Council attorneys (dependant on allocated service category and Council valuator

5. The appointed consultants will be required to work in close collaboration with the other appointed consultants when and where required and your full cooperation is appreciated.

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36. Deviation from, and ratification of minor breaches of, procurement processes

(1) The accounting officer may –

(a) dispense with the official procurement processes established by this Policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –

i. in an emergency (breakages after hours, situations that may lead to health, safety hazards or death, serious hampering of official service delivery to the community);

ii. if such goods or services are produced or available from a single source or sole provider only (e.g. agents/manufacturer/patent holder or items under guarantee);

iii. for the acquisition of special works of art or historical objects where specifications are difficult to compile;

iv. acquisition of animals for zoos and/or nature and game reserves; or

v. in any other exceptional case or case or urgency where it is impractical or impossible to follow the official procurement processes (such as strip and quote on rotation basis, appointment of specialised service providers);

vi. any contract relating to the publication of notices and advertisements by or on behalf of the Midvaal Local Municipality as set out in the communications and corporate ID policies as amended from time to time.

vii. any purchase on behalf of the Midvaal Local Municipality at a public auction sale;

viii. any contract with an organ of state, a local authority or a public utility corporation or company;

ix. any contract in respect of which compliance therewith would not be in the public interest or interest of Council;

x. ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids; and

xi. workshop strip and quote ***(as per definition on page 6)***

(b) ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature.

(2) The accounting officer must record the reasons for any deviations in terms of subparagraphs (1)(a) and (b) of this policy and report them to the next meeting of the council and include as a note to the annual financial statements.

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(3) Subparagraph (2) does not apply to the procurement of goods and services contemplated in paragraph 11(2) of this policy.

37. <u>Unsolicited bids</u>

(1) In accordance with section 113 of the Act there is no obligation to consider unsolicited bids received outside a normal bidding process.

(2) The accounting officer may decide in terms of section 113(2) of the Act to consider an unsolicited bid, only if –

(a) the product or service offered in terms of the bid is a demonstrably or proven unique innovative concept;

(b) the product or service will be exceptionally beneficial to, or have exceptional cost advantages;

(c) the person who made the bid is the sole provider of the product or service; and

(d) the reasons for not going through the normal bidding processes are found to be sound by the accounting officer.

(3) If the accounting officer decides to consider an unsolicited bid that complies with subparagraph (2) of this policy, the decision must be made public in accordance with section 21A of the Municipal Systems Act, together with –

(a) reasons as to why the bid should not be open to other competitors;
(b) an explanation of the potential benefits if the unsolicited bid were accepted; and
(c) an invitation to the public or other potential suppliers to submit their comments within 30 days of the notice.

(4) The accounting officer must submit all written comments received pursuant to subparagraph (3), including any responses from the unsolicited bidder, to the National Treasury and the relevant provincial treasury for comment.

(5) The adjudication committee must consider the unsolicited bid and may award the bid or make a recommendation to the accounting officer, depending on its delegations.

(6) A meeting of the adjudication committee to consider an unsolicited bid must be open to the public.

(7) When considering the matter, the adjudication committee must take into account –

(a) any comments submitted by the public; and
(b) any written comments and recommendations of the National Treasury or the relevant provincial treasury.

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(8) If any recommendations of the National Treasury or provincial treasury are rejected or not followed, the accounting officer must submit to the Auditor General, the relevant provincial treasury and the National Treasury the reasons for rejecting or not following those recommendations.

(9) Such submission must be made within seven days after the decision on the award of the unsolicited bid is taken, but no contract committing the Midvaal Local Municipality to the bid may be entered into or signed within 30 days of the submission.

38. Combating of abuse of supply chain management system

(1) The accounting officer must–

(a) take all reasonable steps to prevent abuse of the supply chain management system;

(b) investigate any allegations against an official or other role player of fraud, corruption, favouritism, unfair or irregular practices or failure to comply with this Policy, and when justified –

(i) take appropriate steps against such official or other role player; or

(ii) report any alleged criminal conduct to the South African Police Service;

(c) check the National Treasury's database prior to awarding any contract to ensure that no recommended bidder, or any of its directors, is listed as a person prohibited or restricted from doing business with the public sector;

(d) reject any bid from a bidder–

(i) if any municipal rates and taxes or municipal service charges owed by that bidder or any of its directors to the **Midvaal Local Municipality**, or to any other municipality or municipal entity, are in arrears for more than three months; or

(ii) who during the last five years has failed to perform satisfactorily on a previous contract with the **Midvaal Local Municipality** or any other organ of state after written notice was given to that bidder that performance was unsatisfactory (see circular 46 of the NT MFMA circular dated 17 March 2008);

(e) reject a recommendation for the award of a contract if the recommended bidder, or any of its directors, has committed a corrupt or fraudulent act in competing for the particular contract;

(f) cancel a contract awarded to a person if –

(i) the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract; or

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(ii) an official or other role player committed any corrupt or fraudulent act during the bidding process or the execution of the contract that benefited that person; and

(g) reject the bid of any bidder if that bidder or any of its directors –

(i) has abused the supply chain management system of the **Midvaal Local Municipality** or has committed any improper conduct in relation to such system;

(ii) has been convicted for fraud or corruption during the past five years;

(iii) has wilfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or

(iv) has been listed in the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004) or Data base of restricted suppliers.

(2) The accounting officer must inform the National Treasury and relevant provincial treasury in writing of any actions taken in terms of subparagraphs (1)(b)(ii), (e) or (f) of this policy.

PART 3: LOGISTICS, DISPOSAL, RISK AND PERFORMANCE MANAGEMENT

39. Logistics management

The accounting officer must, *where applicable*, establish and implement an effective system of logistics management, which must include –

(a) the monitoring of spending patterns on types or classes of goods and services incorporating, where practical, the coding of items to ensure that each item has a unique number;

(b) the setting of inventory levels that includes minimum and maximum levels and lead times wherever goods are placed in stock;

(c) the placing of manual or electronic orders for all acquisitions other than those from petty cash;

(d) before payment is approved , certification by the responsible officer that the goods and services are received or rendered on time and is in accordance with the order, the general conditions of contract and specifications where applicable and that the price charged is as quoted in terms of a contract;

(e) appropriate standards of internal control and warehouse management to ensure that goods placed in stores are secure and only used for the purpose for which they were purchased;

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(f) regular checking to ensure that all assets including official vehicles are properly managed, appropriately maintained and only used for official purposes; and

(g) monitoring and review of the supply vendor performance to ensure compliance with specifications and contract conditions for particular goods or services.

The logistics management procedures must be adhered to at all times attached hereto as ***Annexure "F"***.

40. <u>Disposal management</u>

(1) The criteria for the disposal or letting of assets, including unserviceable, redundant or obsolete assets, subject to sections 14 and 90 of the Act, will be determined for each situation in collaboration with the PPPFA Act, its regulates and amendments.

(2) Assets may be disposed of by –

(i) transferring the asset to another organ of state in terms of a provision of the Act enabling the transfer of assets;
(ii) transferring the asset to another organ of state at market related value or, when appropriate, free of charge;
(iii) selling the asset; or
(iv) destroying the asset.

(3) The accounting officer must ensure that –

(a) immovable property is sold only at market related prices except when the public interest or the plight of the poor demands otherwise and in collaboration with the Local Government MFMA – Municipal Asset Transfer Regulations (Gazette No 3146 dated 22/08/2008;

<u>Sale of land on formal tender processes</u>. All applicable fees (estimated) /processes (e.g. rezoning, consolidation, bulk contributions, valuation fees, registration and all other related fees) must be mentioned in the specs of the bid documents. All affected departments to give comments on the proposed sale of land in writing and must so be noted on the item to Council for approval.

Only council resolved items will be accepted by the SCM unit for the tender/auction process. These resolutions and valuations should not be older than **<u>12 months</u>**. The copy of the valuation certificate, zoning certificate and council resolution and all other documents pertaining to the sale of land must accompany the request for the sale of the mentioned land/property.

The bid is awarded to the bidder who submitted the highest offer and who accepted all the conditions of the bid.

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(b) movable assets are sold once council has declared the items redundant, either by way of written price quotations, a competitive bidding process, auction or at market related prices, whichever is the most advantageous and sold to the bidder who submitted the highest price.

(c) firearms are not sold or donated to any person or institution within or outside the Republic unless approved by the National Conventional Arms Control Committee;

(d) immovable property is let at market related rates except when the public interest or the plight of the poor demands otherwise;

(e) all fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property are annually reviewed;

(f) where assets are traded in for other assets, the highest possible trade-in price is negotiated; and

(g) in the case of the free disposal of computer equipment, the provincial department of education is first approached to indicate within 30 days whether any of the local schools are interested in the equipment.

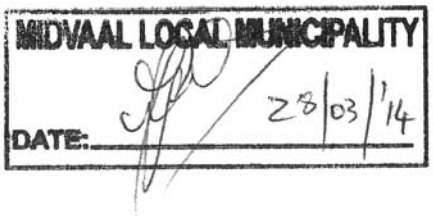
(4) All matters relating to the alienation of movable and immovable assets, shall be dealt with in terms of the policy for the management and administration of immovable property, annexed hereto as stated within the Management and Disposal of Assets policy and Asset Management policy

(5) Notwithstanding the provisions of sub-section 2 hereof, the following statutory powers of MLM Council in respect of the alienation of immovable property, are reserved to be exercised by Council:

(a) to decide on reasonable grounds that an asset is not needed to provide the minimum level of basic municipal services; and
(b) to considered the fair market value of the asset and the economic and community value to be received in exchange for the asset, and

(6) Notwithstanding sub-section (5) (a) & (b) above, the accounting officer must determine the most advantageous way for the disposal or letting of movable capital assets, i.e. written price quotations, competitive bidding, or auction, except when public interest or the plight of the poor demands otherwise.

(7) The accounting officer is hereby authorized to dispose of movable capital assets below a value of R500, 000 (excluding the approval for selling of assets via public auction process) and to make the determinations in terms of Section 14(2)(a) and (b) of the MFMA, provided that, in respect of capital assets above a value of R200 000 not being auctioned, the Accounting Officer shall first consider a recommendation from the Supply Chain Management Bid Adjudication Committee.



41. Risk management

(1) The criteria for the identification, consideration and avoidance of potential risks in the supply chain management system, will be determined for each situation.

(2) Risk management must include –

(a) the identification of risks on a case-by-case basis;

(b) the allocation of risks to the party best suited to manage such risks;

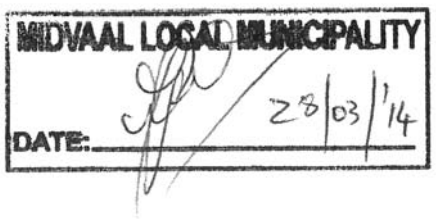
(c) acceptance of the cost of the risk where the cost of transferring the risk is greater than that of retaining it;

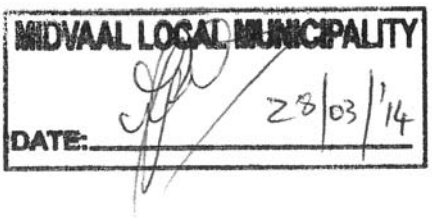
(d) the management of risks in a pro-active manner and the provision of adequate cover for residual risks; and

(e) the assignment of relative risks to the contracting parties through clear and unambiguous contract documentation.

42. Performance management

The accounting officer must establish and implement an internal monitoring system in order to determine, on the basis of a retrospective analysis, whether the authorised supply chain management processes were followed and whether the objectives of this Policy were achieved.





PART 4: OTHER MATTERS

43. Prohibition on awards to persons whose tax matters are not in order

(1) No award above R30 000 may be made in terms of this Policy to a person whose tax matters have not been declared by the South African Revenue Service to be in order.

(2) Before making an award to a person the accounting officer must first check with SARS whether that person's tax matters are in order.

(3) If SARS does not respond within 7 days such person's tax matters may for purposes of subparagraph (1) be presumed to be in order.

(4) Midvaal Local Municipality will process transactions per supplier on the proviso that the accumulative amounts per supplier does not exceed R30-000.00 without the required tax clearance certificate as per regulation 43 (1) above.

44. Prohibition on awards to persons in the service of the state

Irrespective of the procurement process followed, no award may be made to a person in terms of this Policy –

(a) who is in the service of the state;

(b) if that person is not a natural person, of which any director, manager, principal shareholder or stakeholder is a person in the service of the state; or

(c) a person who is an advisor or consultant contracted with the **Midvaal Local Municipality.**

44.1 VERIFICATION PROCESS TO VERIFY STATE EMPLOYEES IN THE AWARD OF CONTRACTS

a) MLM must complete the Requested for Verification Form attached to Gauteng Provincial Treasury (GPT) - Circular 2 of 2014, with the details of the shortlisted or recommended vendor's / shareholders / directors / members **BEFORE** adjudication.

b) The completed request for verification form signed by the Head of Supply Chain Management Unit / delegate must be sent to the call centre of Gauteng Treasury – SCM.Verifications@gauteng.gov.za or faxed to: 086 658 2613.

c) A reference number is automated on this system for control and monitoring of the requests.

d) The GPT will conduct the verification on the PERSAL system that is linked to all National and Provincial spheres of government, and respond to the MLM within 24 hours upon

receipt of the request indicating whether the directors of the vendors are employees of the state or not.

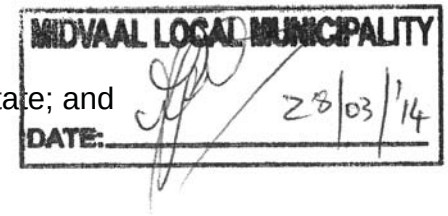
45. Awards to close family members of persons in the service of the state

The accounting officer must ensure that the notes to the annual financial statements disclose particulars of any award of more than R2 000-00 to a person who is a spouse, child or parent of a person in the service of the state, or has been in the service of the state in the previous twelve months, including –

(a) the name of that person;

(b) the capacity in which that person is in the service of the state; and

(c) the amount of the award.



46. Ethical standards

(1) A code of ethical standards as set out in **subparagraph (2) of the "*National Treasury's code of conduct for supply chain management practitioners and other role players involved in supply chain management*"** is hereby established for officials and other role players in the supply chain management system of the **Midvaal Local Municipality i**n order to promote –

(a) mutual trust and respect; and

(b) an environment where business can be conducted with integrity and in a fair and reasonable manner.

(2) A breach of the code of ethics must be dealt with as follows –

(a) in the case of an employee, in terms of the disciplinary procedures of the Midvaal Local Municipality envisaged in section 67(1)(h) of the Municipal Systems Act;

(b) in the case a role player who is not an employee, through other appropriate means in recognition of the severity of the breach.

(c) in all cases, financial misconduct must be dealt with in terms of chapter 15 of the Act.

(d) A municipal official or other role player involved in the implementation of this Policy–

(i) must treat all providers and potential providers equitably;

(ii) may not use his or her position for private gain or to improperly benefit another person;

(e) must declare to the accounting officer details of any private or business interest which that person, or any close family member, partner or associate, may have in any proposed procurement or disposal process of, or in any award of a contract by, the Midvaal Local Municipality.

(f) must immediately withdraw from participating in any manner whatsoever in a procurement or disposal process or in the award of a contract in which that person, or any close family member, partner or associate, has any private or business interest;

(g) must be scrupulous in his or her use of property belonging to **Midvaal Local Municipality,**

(h) must assist the accounting officer in combating fraud, corruption, favouritism and unfair and irregular practices in the supply chain management system; and

(i) must report to the accounting officer any alleged irregular conduct in the supply chain management system which that person may become aware of, including –

(i) any alleged fraud, corruption, favouritism or unfair conduct;

(ii) any alleged contravention of paragraph 47(1) of this Policy; or
(iii) any alleged breach of this code of ethical standards.

(3) Midvaal Local Municipality adopts National Treasury's code of conduct for supply chain management practitioners and other role players involved in supply chain management".

(4) **A breach of the code of ethics must be dealt with as follows –**

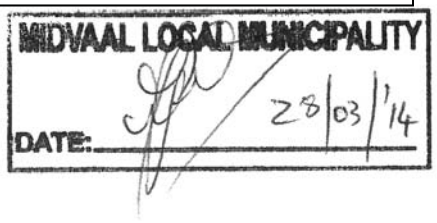
(a) in the case of an employee, in terms of the disciplinary procedures of the **Midvaal Local Municipality** envisaged in section 67(1)(h) of the Municipal Systems Act;

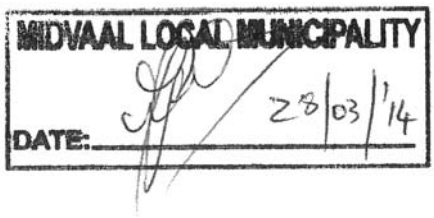
(b) in the case a role player who is not an employee, through other appropriate means in recognition of the severity of the breach.

(c) In all cases, financial misconduct must be dealt with in terms of chapter 15 of the Act.

(d) All cases of non-compliance to this Policy should be reported to the Accounting Officer.

NOTE: The "*POLICY OF THE ACCEPTANCE OF GRANTS, GIFTS, DONATIONS AND SPONSORSHIPS (29 AUGUST 2013)"* is applicable to sections 46, 47 and 48 of this policy and must be adhered to at all times.





47. Inducements, rewards, gifts and favours to municipalities, officials and other role players

(1) No person who is a provider or prospective provider of goods or services, or a recipient or prospective recipient of goods disposed or to be disposed of may either directly or through a representative or intermediary promise, offer or grant –

(a) any inducement or reward to the or in connection with the award of a contract; or

(b) any reward, gift, favour or hospitality to –

(i) any official; or

(ii) any other role player involved in the implementation of this Policy.

(2) The accounting officer must promptly report any alleged contravention of subparagraph (1) to the National Treasury for considering whether the offending person, and any representative or intermediary through which such person is alleged to have acted, should be listed in the National Treasury's database of persons prohibited from doing business with the public sector.

(3) Section 47(1) does not apply to gifts less than R350 in value.

48. Sponsorships

The accounting officer must promptly disclose to the National Treasury and the relevant provincial treasury any sponsorship promised, offered or granted, whether directly or through a representative or intermediary, by any person who is –

(a) a provider or prospective provider of goods or services; or

(b) a recipient or prospective recipient of goods disposed or to be disposed.

49. Objections and complaints

Persons aggrieved by decisions or actions taken in the implementation of this supply chain management system, may lodge within 14 days of the decision or action, a written objection or complaint against the decision or action.

50. Resolution of disputes, objections, complaints and queries

(1) The accounting officer must appoint an independent and impartial person, not directly involved in the supply chain management processes –

(a) to assist in the resolution of disputes between the **Midvaal Local Municipality** and other persons regarding –

(i) any decisions or actions taken in the implementation of the supply chain management system; or
(ii) any matter arising from a contract awarded in the course of the supply chain management system; or

(b) to deal with objections, complaints or queries regarding any such decisions or actions or any matters arising from such contract.

(2) The accounting officer, or another official designated by the accounting officer, is responsible for assisting the appointed person to perform his or her functions effectively.

(3) The person appointed must –

(a) strive to resolve promptly all disputes, objections, complaints or queries received; and

(b) submit monthly reports to the accounting officer on all disputes, objections, complaints or queries received, attended to or resolved.

(4) A dispute, objection, complaint or query may be referred to the relevant provincial treasury if –

(a) the dispute, objection, complaint or query is not resolved within 60 days; or
(b) no response is forthcoming within 60 days.

(5) If the provincial treasury does not or cannot resolve the matter, the dispute, objection, complaint or query may be referred to the National Treasury for resolution.

(6) This paragraph must not be read as affecting a person's rights to approach a court at any time.

51. Contracts providing for compensation based on turnover

If a service provider acts on behalf of a Midvaal Local Municipality to provide any service or act as a collector of fees, service charges or taxes and the compensation payable to the service provider is fixed as an agreed percentage of turnover for the service or the amount collected, the contract between the service provider and the Midvaal Local Municipality must stipulate –

(a) A % cap on the compensation payable to the service provider; and

(b) that such compensation must be performance based.

52. CONSTRUCTION INDUSTRY DEVELOPMENT BOARD ACT 30 OF 2000

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The CIDB Act provides for the establishment of the Construction Industry Development Board; to implement an integrated strategy for the reconstruction, growth and development of the construction industry and to provide for matters connected therewith.

All of Midvaal Local Municipality's departments and appointed Consultants are to adhere strictly to the CIDB regulations when procuring building and construction bidding projects and or services in Council as the construction procurement in the public sector is regulated in terms of the following legislation:

- PFMA SCM regulations (NATIONAL TREASURY)
- MFMA SCM regulations (NATIONAL TREASURY) and
- CIDB Act and regulations with respect to:
 - CIDB Code of Conduct for the Parties engaged in Construction Procurement
 - CIDB Standard for Uniformity in Construction Procurement.

Alignment of the CIDB construction procurement to National treasury's SCM regulations:

SCM Regulations issued in terms of the MFMA (Regulation 21):

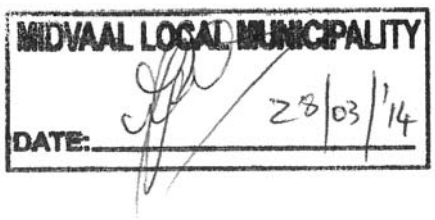
Bid documentation for a competitive bidding process must take into account the requirements of the "Construction Industry Development Board, its regulations and all amendments, in the case of a bid relating to construction, upgrading or refurbishment of buildings or infrastructure"

STANDARD CONTRACT FOR CIDB PROJECTS

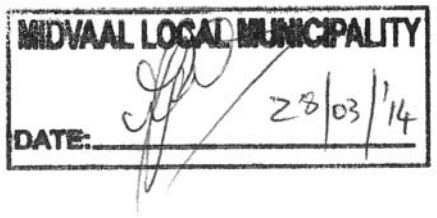
The JBCC contract should be utilised for all new construction, alterations, renovation works on council property or for new community projects.

The GCC (2004), Colto and other applicable contracts should be utilised for engineering projects that include but not limited to: civil, roads, water, sewer, electrical, mechanical, etc.

Officials from the engineering services, project management unit and development and planning departments must form part of the specifications committee where construction works are involved.



CIDB DEVELOPMENT FRAMEWORK



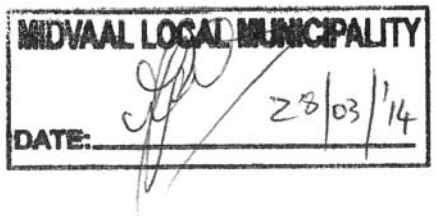


Focus areas for improved industry

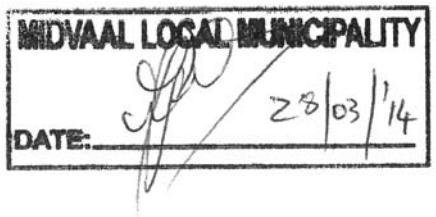
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Inputs (technical function)	Control point (SCM function)
1 ESTABLISH WHAT IS TO BE PROCURED	
1.1 Prepare broad scope of work for procurement (terms of reference/specifications)	
1.2 Estimate financial value of proposed procurement (Budget/IDP)	
	1. 3 Obtain permission to start with the procurement process by HOD and MM once specs have been approved by the Bid Specifications committee

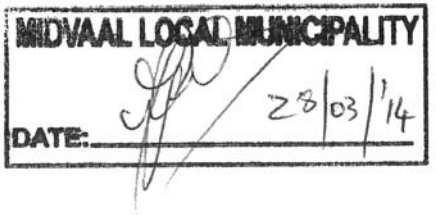
INPUTS (TECHNICAL FUNCTION)	CONTROL POINT (SCM FUNCTION)
2 DECIDE ON PROCUREMENT STRATEGIES	
2.1 Establish applicable preferential procurement policy strategy (PPPFA/MIG/other conditional grant funding)	
2.2 Establish contract and pricing strategy	
2.3 Establish targeting strategy	
	2.4 Establish procurement procedure in line with the relevant threshold value SCM policy/CIDB values.



Inputs (technical function)	Control point (SCM function)
3. SOLICIT TENDER OFFERS (2-STAGE BIDDING)	
3.1 Prepare terms of reference and specifications	
	3.2 Prepare bid documents for formal specs sign off
	3.3 Confirm that budgets and funding is in place
	3.4 Invite contractors to submit tender offers or expressions of interest by creating the invite on CIDB website
	3.5 Receive tender offers or expressions of interest
3.6 Technically evaluate expressions of interests	**3.6 Commercially evaluate expressions of interests**
3.7 Prepare evaluation report on short listing process with SCM unit	
	3.8 Confirm shortlist
3.9 Invite tender offers from shortlist	



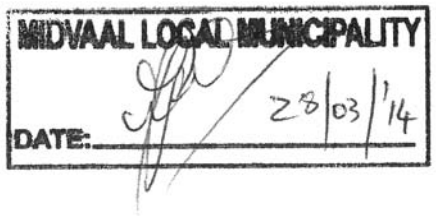
Inputs (technical function)	Control point (SCM function)
4 EVALUATE TENDER OFFERS WITH SCM UNIT	
4.1 OPEN AND RECORD TENDER OFFERS RECEIVED	
	4.2 Determine whether or not tenders offers are complete
4.3 Determine whether or not tender offers are responsive	
4.4 Evaluate tender submissions	
4.5 Perform a risk analysis.	
4.6 Prepare a technical evaluation report and item	4.6 Prepare a tender evaluation report for the BEC
	4.7 Prepare a tender evaluation report for the BAC



Inputs (technical function)	Control point (SCM function)
5 Award contract	
5.2 Compile contract document & PMS	**5.1 Notify successful tenderer**
	5.3 Formally accept tender offer
	5.4 Capture contract award data on CIDB & Intenda
6 Administer contracts and confirm compliance with requirements as per approved PMS	
6.1 Administer contract in accordance with the terms and provisions of the contract (PMS)	
6.2 Ensure compliance with requirements (PMS)	
	6. 3. Capture contract completion / termination data on CIDB

CONSTRUCTION GUARANTEES

Where the bidder is required to submit a construction guarantee, the bidder must submit the **original** construction guarantee (from a FICA approved institution) valid for a minimum of 1 year to the Supply Chain Management unit within the stipulated time frame (usually 7 days from receipt of official order or approval letter). The guarantee is filed in a safe for safekeeping and released upon written request from the council appointed Project manager signed off by the Head of the department or the delegated employee. The guarantee will be released on the lapsing of the guarantee.



All construction procurement process to be drawn up and implemented in line with the CIDB Practice Notes (available on the CIDB website)

- Practice Note 1: *Scaling up delivery and accelerating empowerment*
- Practice Note 2: *Correcting arithmetical errors in tenders*
- Practice Note 3: *Applying the Register of Contractors in Construction Works Contracts*
- Practice Note 4: *Procuring best value in construction works*
- Practice Note 5: *Evaluating tender offers*
- Practice Note 6: *Competitive selection of professional service providers*
- Practice Note 7: *Subcontracting arrangements*
- Practice Note 8: *Remunerating professional service providers*
- Practice Note 9: *Evaluation of quality in tender submissions*
- Practice Note 10: *Attaining social and economic deliverables*
- Practice Note 11: *Programme management approach to delivery*
- Practice Note 12: *The competitive negotiations procedure*
- Practice Note 13: *Identifying a construction works contract*

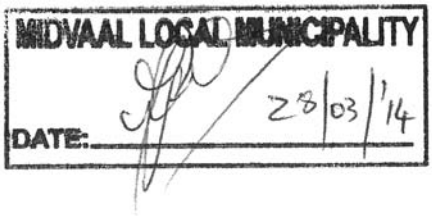
Procurement Strategies

Midvaal Local Municipality needs to identify and put procurement strategies in place to enhance the following CIDB key objectives:

- Key Objectives
 - Meet Client Requirements: On time; in budget and to required quality
 - BEE
 - Skills Development
 - Job Creation

This can be created by using one of the following strategies and needs to be identified per project with input from Council:

1. Unbundling
2. Using Potentially Emerging Status
3. Using Joint Ventures
4. Using subcontracts
5. Bundling and Targeting – CIDB Practice Note 1
6. Term Contracts – CIDB Practice Note 1



The advertisement is drawn up and issued on I-tender on the CIDB website: www.CIDB.org.za that automatically sends an e-mail or SMS notification to the category registered contractors inviting them to submit a bid.

All briefing sessions/site inspection is compulsory in Midvaal to ensure that all contractors are aware of what is expected from them whilst tendering. Any changes to plans, works or bill of quantities are done and signed on site ensuring that all bidders have a fair/equal chance of tendering and will be evaluated as such.

CIDB Register of Contractors:

1. Store and provide data on the size and distribution of contractors operating within the construction industry, and

2. The volume, nature, performance and development of contractors and target groups; and

3. Provides access by the private sector and thus also facilitate private sector procurement.

Application

Register of contractors is to be applied in all public sector construction works contracts which exceed R30 000 including VAT.

- Register enterprises (not individuals)

- both established enterprises with a track record and newly constituted enterprise without a track record or with one that over a short period;

- in terms of their potential capability to undertake a contract of a given size, based on track records at a point in time.

THE FOLLOWING CONTRACTORS ARE NOT REGISTERED AT THE CIDB

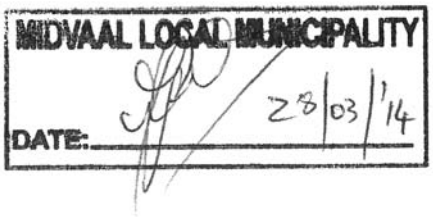
- Joint ventures If all contractors registered, "effective" contractor grading designation calculated from the sum of the individual parameters. NB CIDB calculator available on www.cidb.org.za.

- Contractors who are under restrictions from doing business with the public sector e.g.. name appears on the register of tender defaulters, no tax clearance certificates, etc.

- Contractors who are registered with the NHBRC as home builders are exempt from registration provided that they only undertake the construction of homes.

- Labour Only Contractors who undertake substantially labour only contracts are exempt.

- NB: Contractors who work only for the private sector are not required to be registered.



TENDER VALUE RANGE		
➢ A registered contractor`s grading designation (indicated in the first column, below), means that the contractor is considered capable of undertaking a contract less than or equal to the value indicated in the second column - within the contractor`s registered clas of works.		
➢ DESIGNATION Less than or equal to:		
1	R0	R200 000
2	R200 000	R650 000
3	R650 000	R2 000 000
4	R2 000 000	R4 000 000
5	R4 000 000	R6 500 000
6	R6 500 000	R13 000 000
7	R13 000 000	R40 000 000
8	R40 000 000	R130 000 000
9	R130 000 000	No Limit

Classes of construction works

- CE = civil engineering
- EB = electrical engineering works – building
- EP = electrical engineering works - infrastructure
- GB = General building works
- ME = Mechanical Engineering works
- Specialist works (SB to SQ)

Classes of specialist construction

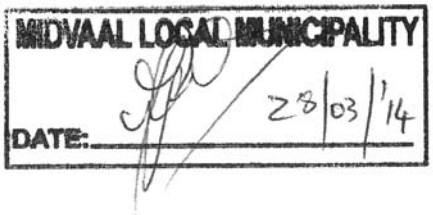
SB: The extension, installation, repair, maintenance or renewal, or removal of asphalt.

SC: The development, extension, installation, removal and dismantling, as relevant, as associated with building excavations, shaft sinking and lateral earth support.

SD: The development, extension, installation, repair, renewal, removal or alteration of corrosion protection systems (cathodic, anodic and electrolytic).

SE: Demolition of buildings and engineering infrastructure and blasting.

SF: The development, extension, installation, renewal, removal, renovation, alteration or dismantling of fire prevention and protection infrastructure (drencher and sprinkler systems and fire installations).



SG: The development, extension, installation, renewal, removal, renovation, alteration or dismantling of glazing, curtain walls and shop fronts.

SH: The development, extension, installation, renewal, removal, renovation, alteration or dismantling, as relevant, of landscaping, irrigation and horticultural works.

SI: The development, extension, installation, repair, maintenance, renewal, removal, renovation, alteration or dismantling of lifts, escalators, travellators and hoisting machinery.

SJ: The development, installation, removal or dismantling, as relevant, of piling and other specialized foundations for buildings and structures.

SK: The installation, renewal, removal, alteration or dismantling, as relevant, of Road markings and signage.

SL: The development, extension, installation, renewal, removal, renovation, alteration or dismantling of structural steelwork steelworks and scaffolding.

SM: Timber buildings and structures.

SN: The extension, installation, repair, maintenance, renewal, removal, renovation or alteration, as relevant, of the waterproofing of basements, roofs and walls using specialist systems.

SO: The development, extension, installation, renewal, removal, alteration or dismantling of the water installations and soil and waste water drainage associated with buildings (wet services and plumbing).

SQ: The development, extension, installation, repair, removal, alteration, dismantling or demolition of precast concrete security concrete security fencing or steel security fencing.

WORKS CAPABILITY

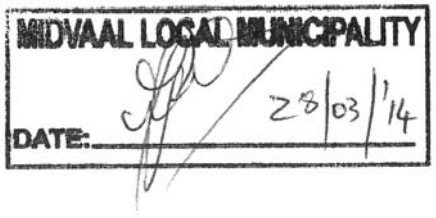
Statutory requirements

- A contractor must be in possession of an electrical contractor license issued by ECBSA for the Electrical Engineering class of construction works

- be registered as a Home Builder with the NHBRC for the SP class of construction works.

Current

- Contractor Grading Designation
- Status of Contractor – Potentially Emerging Enterprise



Future

- Best Practice Contractor Recognition Scheme
- Status of recognition of the progress of a contractor in terms of any BEE Programme

JOINT VENTURES

If all joint venture partners are registered, “effective” contractor grading designation calculated from the sum of the individual parameters.

NB CIDB calculator available on www.cidb.org.za or:

Designation	Deemed to satisfy joint venture arrangements
3	3 x designation 2
4	3 x designation 3
5	2 x designation 4 1 x designation 4 + 2 designation 3
6	2 x designation 5 1 x designation 5 + 2 x designation 4
7	2 x designation 6 1 x designation 6 + 2 x designation 5
8	3 x designation 7
9	3 x designation 8

A Joint venture calculator is available on the CIDB website for ease of use and reference.

REGISTERING OF PROJECTS

Legal requirement:

An employer must, within 21 working days from the date on which a contractor’s offer to perform a construction works contract is accepted in writing by the employer, apply on the approved form to the Board for the registration of every project, consisting of a single construction works contract, of which the contract value exceeds a value determined by the Minister by notice in the *Gazette.*

- *Public sector above R200 000*
- *Private sector above R3,0 million*
- (NHBRC homes exempt)

MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/14

Reporting requirements

Midvaal must within one month of the following cases notify the CID Board regarding the nature of financial and management support provided to potentially emerging enterprises and the benefit derived there from:

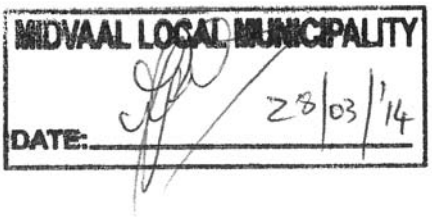
- award of the contract
- issue of practical completion certificate
- settling all amounts owing to the contractor in accordance with the contract, as determined by the employer (final completion)
- renewal, cancellation or termination of contract
- entering into arbitration or litigation

TRANSITIONAL ARRANGEMENTS (UNTIL REVISION OF REGULATIONS):

Public sector

Regulations are deemed to be satisfied in the public sector if the following is undertaken on the CIDB website:

- advertise competitive tenders on i-tender@cidb
- register award of tender (cidb website); and
- register award of non-competitive tenders and
- cancellations on the cidb website



Batched registration (electronic data file) may be made at least monthly.

53. Process for the Restriction of Suppliers from doing business with Council

The Accounting Officer is empowered to restrict companies or persons from doing business with the public sector for a period not exceeding 10 years if such companies or persons have obtained preferences fraudulently or failed to perform on a contract based on the specified goals.

The procedures to be followed when contemplating and imposing such restrictions are contained in MFMA Circulars No. 43, 46, 52 and 56 available on the National Treasury website. Any restriction imposed by an Accounting Officer must be forwarded to the National Treasury for loading onto the central *Database of Restricted Suppliers*.

The following internal control measures must be followed by Midvaal Local Municipality:

The report on non-compliance and non-performance by a supplier as identified/stipulated in the National Treasury circulars must be forwarded to the Performance and Systems Management Co-coordinator by the HOD/delegate or project manager assigned to the project, in writing.

The Performance and Systems Management Co-coordinator or HOD must investigate the allegations and circumstances and give a formal report to the Bid Adjudication Committee for a recommendation on any discrepancies.

The supplier is then, depending on the nature of transgression, either restricted to do business with Midvaal Local Municipality for a period not exceeding 10 years or in the case of a serious transgression, following formal legal/SAPS court or other proceedings blacklisted with Council and National Treasury for period not exceeding 10 years.

54. CONTRACT MANAGEMENT

(1) Application

The contract management provisions below are applicable only to contracts for the provision of goods or services.

(2) Competency

All contracts must be administered by an official(s) having the necessary competencies to ensure effective management of the contract.

(3) Maintenance and Contract Administration

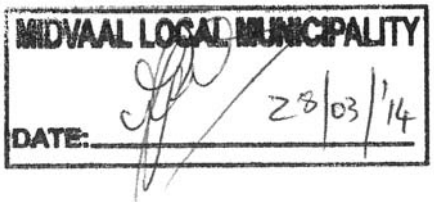
(a) Contracts related to the procurement of goods and services will be captured on the *Venus* system in the form of a price schedule.

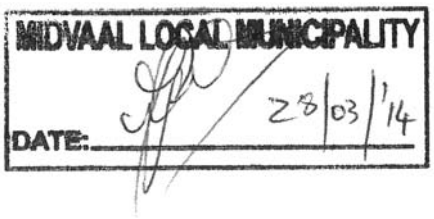
(b) Value (where the maximum value of the contract is restricted) and volume (where the maximum units procured are restricted) based contracts will be used.

(c) The use of fixed price, fixed term contracts will be promoted and expenditure will be driven towards contracts versus once-off purchases.

(d) Consolidated (Citywide) procurement volumes have to dive down the negotiated contract prices.

(e) Contract price adjustments shall be processed only in accordance with contract terms and conditions. Price adjustments shall be made on the procurement contract and any current purchase orders shall be changed to reflect the new price.





(4) Contract Administration

Contract administration is the last stage of the tendering and contract cycle, and includes all administrative duties associated with a contract after it is executed, including contract review.

The effectiveness of contract administration will depend on how thoroughly the earlier steps were completed. Changes can be made far more readily early in the tendering cycle than after contract management has commenced.

Some of the key early stages, which influence the effectiveness of contract administration include - :

(a) Defining the output, that is, writing specifications which identify what the aims and outputs of a contract will be;
(b) assessing risk;
(c) researching the market place (including conducting pre-tender briefings);
(d) formulating appropriate terms and conditions of contract;
(e) identifying appropriate performance measures and benchmarks so that all parties know in advance what is expected, and how it will be tested;
(f) actively creating competition, so the best possible suppliers bid for contracts; and
(g) evaluating bids competently, to select the best contractor, with a strong customer focus and good prospects of building a sound relationship.

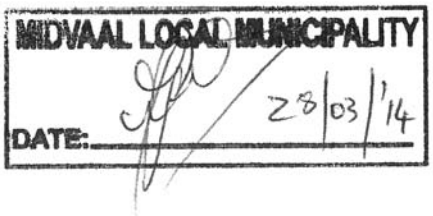
(5) Levels of Contract Administration

There are three levels of contract administration:

a) The first operational level is for standard contracts for goods and services. Day to day contract administration should become no more than a monitoring, record keeping and payment authorization role. A standard contract, which requires excessive administration, is almost certainly the product of a failure in contract preparation stages. An example of an operational contract would be a stationery contract.

b) The second or intermediate level is for more complex contracts for services. An example would be a contract to outsource cleaning services. This type of contract will require a more active role for the contract manager in developing the relationship between the Municipality and the contractor.

c) The third level is for strategic contracts involving complex partnerships and outsourcing arrangements. These contracts need more active management of the business relationships between the supplier and the users, for example to manage outputs and not the process. Sufficient resources need to be dedicated by all parties to successfully manage these contractor relationships and, where feasible, to achieve partnership. A partnership is the result of mutual commitment to a continuing co-operative relationship, rather than parties working on a competitive and adversarial basis.



(6) Appointing a Contract Manager

(a) A contract manager should be appointed by the senior official in charge of the project prior to the execution of the contract.

(b) Where it is practical to do so, the contract manager should be involved at the earliest stage of the acquisition, which is the time of writing the specification. Contract administration arrangements should be identified and planned including who, how, delegations, reporting requirements and relationships and specific task responsibilities.

(c) Departments shall be responsible for ensuring that contract managers:

i) prepare the contract administration plan.
ii) monitor the performance of the contractor.
iii) are appointed with appropriate responsibility and accountability;

(d) are adequately trained so that they can perform and exercise the responsibility; and

(e) act with due care and diligence and observe all accounting and legal requirements.

(7) Duties and Powers of Contract Manager

(a) The contract manager's duties and powers shall be governed by the conditions of contract and the general law.

(b) The contract manager shall also be required to form opinions and make decisions, and in doing so is expected to be even-handed and prudent.

(8) Contract Guidelines

(a) A guideline, which provides a description of the roles and responsibilities of a contract manager during the contract administration stage, shall be documented.

(b) This following is not an exhaustive description of contract administrative activities, and some tasks may not be carried out in the sequence presented, may be done concurrently with other tasks, or may not be necessary in some circumstances.

(9) Delegation to Contract Administration

(a) Where appropriate, a contract manager may delegate some contract administration duties to a contract administrator.

(b) The contract administrator would usually be required to perform duties related to processes for record keeping and authorizing payment and collecting data on the contractor performance.

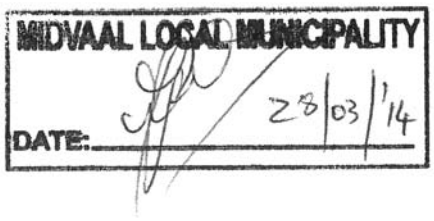
(c) The contract manager will however remain ultimately responsible for the performance of the contract.

(10) Contract Management Process

(a) The contract manager shall ensure the contractor fulfils its obligations and accepts its liabilities under the contract and must also ensure the contractors are treated fairly and honestly.

(b) Both parties adhering to the agreed terms will result in:-

i) value for money;
ii) timeliness;
iii) cost effectiveness; and
iv) contract performance.



(11) Document Retention

The need exists to retain documents on a contract file for information and audit purposes, and in order to comply with the requirements of the records office.

(12) Records Office

Proper records regarding all aspects of the contract must accordingly be maintained.

(13) Guidelines on Contract Administration

The responsibilities of a contract manager may include the following:

a) establishing a contract management plan for the project;

b) reviewing the contract management process (including the plan) on a regular basis;

c) providing liaison between internal managers and users, and suppliers to identify and resolve issues as they arise;

d) monitoring the contractor's continuing performance against contract obligations;

e) providing the contractor with advice and information regarding developments within the department, where such developments are likely to affect the products provided;

f) determining if staged products should continue, and providing a procurement process for additional stages which meet the principle of obtaining value for money;

g) providing accurate and timely reporting to the senior management in charge of the project, highlighting significant performance issues or problems;

h) ensuring insurance policy(s) terms and conditions provide adequate protection for MLM and are maintained throughout the contract period;

i) ensuring all products provided are certified as meeting the specifications before the supplier is paid;

j) maintaining adequate records (paper and/or electronic) in sufficient detail on an appropriate contract file to provide an audit trail;

k) managing contract change procedures;

l) resolving disputes as they arise;

m) conducting post contract reviews; and

n) pursuing remedies in the event of contract breach.

55. Contracts having budgetary implications beyond three financial years

MLM may not enter into any contract that will impose financial obligations beyond the three years covered in the annual budget for that financial year, unless the requirements of Section 33 of the Municipal Finance Management Act have been fully complied with, e.g. the rendering of the compilation of the valuation and supplementary valuation roll services, bank services or where grant/loan funding has been secured.

56. Increase/Extension in contract sum/period

(a) Any increase and/or extension in the approved contract sum that may become necessary as a result of **exceptional circumstances** during the contract period, must be approved by the appropriate bid committees prior to implementation. This excludes all annual/bi-annual/quarterly CPI/PPI increases provided for in the bidding documents as approved by the bid adjudication committee at the inception of the bids. These increases will however be scrutinised by the Heads of Departments for budget purposes and the bidders be informed of the status quo per formal letter prior to updating the contracts.

(b) Where community participation has been a part of the project, the community must be advised of the proposed increase and be invited to provide written comment.

(c) Any unapproved increase in the contract sum must be explained in a report to the Accounting Officer, requesting condonation for of such unapproved increase.

Unsuccessful condonation applications must be dealt with in the appropriate provisos of MLM.

57. Commencement

This Policy takes effect on **01 JULY 2014.**

MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/14

MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/'14

ANNEXURE A

MIDVAAL LOCAL MUNICIPALITY
REQUEST FOR THE SCM UNIT PROCEED WITH THE RELEVANT BID PROCESS
KINDLY ATTACH THIS FORM TO THE DETAILED AND COMPLETE SPECIFICATIONS

CONTRACT NUMBER: _____ *(if applicable)* **PLEASE NOTE:** ***ATTACH A COPY OF BUDGET / RESOLUTION RELEVANT TO THIS BID***

DEPARTMENT:		DIVISION:		WARD NO	
PLEASE INDICATE TYPE OF PRO-FORMA DOCUMENT USED:					
DETAILED PROJECT DESCRIPTION:					

VOTE NUMBER: (Please tick)		CAPITAL	OPERATIONAL	SOURCE OF INCOME: CRR/EXTERNAL LOAN/GRANT (e.g.: MIG, DAC, DWAF, SEDIBENG, ETC) (Please submit supporting documents)	

ESTIMATED VALUE:	R	POINT SYSTEM:		EVALUATION CRITERIA FOR PROFESSIONAL SERVICES/ PROPOSALS	CAN THE BID BE AWARDED TO MORE THAN ONE COMPANY?
Expenditure schedule for duration of project on monthly basis attached to application	YES / NO	90/10	80/20		
				STANDARD	YES/NO

IS THIS PROJECT BUDGETED FOR?	YES / NO	WILL SURETY/GUARANTEE BE APPLICABLE TO THIS BID? Please indicate %	YES/NO _____%	IS A COMPULSORY SITE /CLARIFICATION MEETING NEEDED?	YES / NO
				INDICATE PROPOSED DATE, TIME AND VENUE	

Projected cash flow:	Quarter 1: R	Quarter 2: R	Quarter 3: R	Quarter 4: R	Next financial years:	20_____ R	20_____ R				
	ONCE-OFF BID		1 YEAR BID		2 YEAR BID		3 YEAR BID		5 YEAR BID	VALIDITY PERIOD 60/90/120 DAYS (min 60 days)	_____ DAYS

Please indicate the special conditions (sc) applicable on this bid, *e.g. local labour & training, labour based projects, conditional grants, etc.* *Please note that the SC is the sole responsibility of the relevant department & to submit such documents to the scm unit to ensure that it is included in the bidding documents giving special attention to penalty clauses & sureties, etc.*	Special Conditions of contract are other than that stipulated in the General Conditions of Contract prescribed by National Treasury. A pro-forma of SC are available from the SCM unit which needs to be amended and updated in accordance to the relevancy of the proposed bid to be initiated. OTHER CONDITIONS *(DETAILED DOCUMENTS)* TO BE *SUBMITTED TO THE SCM UNIT ELECTRONICALLY*

DETAILS OF PROJECT MANAGER/END USER:				DETAILS OF CONSULTANT (IF APPLICABLE)			
NAME:				NAME:			
TEL. NO.:		FAX NO:		TEL. NO.		FAX NO:	
CELL NUMBER:				CELL NUMBER:			
E-MAIL ADDRESS:				E-MAIL ADDRESS:			

OFFICIAL USE: SUPPLY CHAIN MANAGEMENT UNIT & EXPENDITURE

BID / PROPOSAL NO:		DOC. FEE:	R	CLOSING DATE:	
PROJECT APPROVED ON BUDGET?			YES / NO	DOCS. AVAILABLE FROM:	
AD PUBLISHING DATE:		MEDIA TO BE USED FOR PLACEMENT OF ADS IF ABOVE R200 000			
APPROVED TO BE ADVERTISED BY:				DATE:	

PLEASE NOTE, THAT DEPARTMENTS ARE ***SOLELY*** RESPONSIBLE FOR BID/PROPOSAL ***SPECIFICATIONS*** AS WELL AS THE ***CORRESPONDING SCHEDULE OF PRICES*** AS THE SUPPLY CHAIN MANAGEMENT UNIT ***WILL NOT*** ACCEPT ANY RESPONSIBILITY FOR ANY INCORRECT OR INCOMPLETE SPECIFICATIONS. THE ADVERTISEMENT WILL ONLY BE PLACED IN THE MEDIA ONCE THE BID SPECIFICATIONS COMMITTEE HAS APPROVED THE SPECIFICATIONS. *ALL SPECIFICATIONS NEEDS TO BE FORWARDED TO THE SCM UNIT ELECTRONICALLY*

REQUESTED BY:

_____	_____	_____
NAME AND SURNAME	**SIGNATURE**	**DATE**

APPROVED BY THE EXECUTIVE DIRECTOR: _____ _____ _____

NAME AND SURNAME **SIGNATURE**

ANNEXURE B

Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

APPLICATION FOR EX POST FACTO APPROVAL: FORM A

TO: HEAD OF DEPARTMENT: _____

Application is hereby made for ex post facto approval for:

Indicate under which circumstances action was taken.

In case of an emergency ☐ OR In case of best interest to the state: ☐

It is hereby certified that the action did not occur as a result of negligence or ignorance, that the action was taken with care and coincided with what is expected of a reasonable person and that no fruitless expenditure has been incurred.

SUBMITTED BY: _____ _____

NAME **DATE**

_____ _____

DESIGNATION **SIGNATURE**

SECTION: _____ **TEL:** _____

Instruction for the completion of this application form

1. The policy and procedures for irregular actions (ex post facto approval) and emergency services is applicable and must be adhered to at all times.

2. This application (Form A) must be accompanied by either a completed Form B or C.

3. The application must be completed in full giving detailed explanatory notes in which the circumstances are explained.

4. All Applications must be signed by the Requestor, the HOD for submission to the SCM Unit will peruse and check legal compliance and forward it to the the Executive Director: Financial Services and the Municipal Manager for approval.

5. The SCM unit will report to the council on such approval.

MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/'14

MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/'14

MIDVAAL Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

CASES OF EMERGENCY: FORM B

(please tick where applicable)

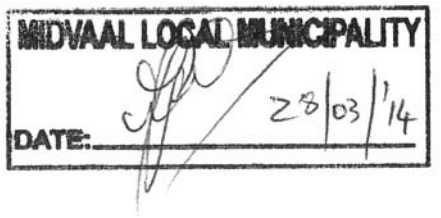
NB: This form must be completed and submitted under cover of the completed Form A, in matters where action was taken in the case of an emergency (as defined in Section 36 of this policy).							
QUESTIONNAIRE	**DESCRIPTION**						
Describe full participates of the circumstances that could not be foreseen:							
Outline the dangerous/perilous condition, misery/defect or life threat that occurred as a result of the state of emergency, or could have resulted, or damage that could have been incurred							
Indicate what was intended with the action in order to relieve, stem or to prevent the state of emergency.							
Date and time the requirement came know	DATE		TIME		NAME		
The supplier was instruction as follows:		Against a contract awarded Bid number: _____		Order placed (Order number: _____)			As a verbal instruction: Name: _____
Date and time the instruction was given	DATE		TIME		NAME		
Date and time the emergency works were completed by the appointed contractor	DATE		TIME		NAME		
What attempts were made to obtain prior authorisation from the bidding committee or HOD?							

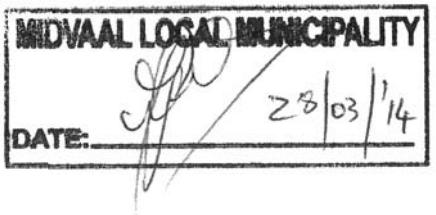
Is the pricing of the works required market related? Please elaborate.	

PTO

CASES OF EMERGENCY: FORM B (CONTINUED)

Did the application arise from an Audit inquiry?	No		Yes (give details)		
REQUEST SUBMITTED BY:		_____ USER DEPARTMENT	_____ NAME	_____ DATE	_____ SIGNATURE
DELEGATED APPROVAL	**YES/NO**	**PLEASE INDICATE IN THE BOX IF THE EX-POST FACT IS APPROVED OR NOT**			
		HEAD OF DEPARTMENT	_____ NAME	_____ DATE	_____ SIGNATURE
		ED: FINANCIAL SERVICES	_____ NAME	_____ DATE	_____ SIGNATURE
		MUNICIPAL MANAGER	_____ NAME	_____ DATE	_____ SIGNATURE





BEST INTEREST: FORM C

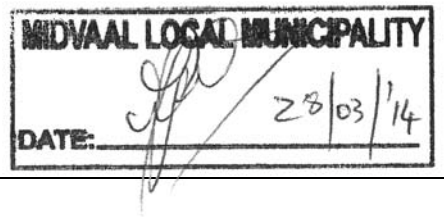
MIDVAAL Local Municipality Masepala Wa Selehae Plaaslike Munisipaliteit

(please tick where applicable)

NB: This form must be completed and submitted under cover of Form A in cases where action was taken in the best interest of the state.						
QUESTIONNAIRE	**DESCRIPTION**					
Furnish and motivate the reasons for the urgent action						
Motivate the negative results that could have occurred if prescribed bidding procedures were taken and a comparison of the result that was brought about by this section						
Did the unauthorised action yield better results than would have been yielded if the prescribed bidding procedures had been followed? Motivate						
Date and time the requirement came know	DATE		TIME		NAME	
The supplier was instruction as follows:		Against a contract awarded Bid number: _____		Order placed (Order number: _____)		As a verbal instruction: Name: _____
Date and time the instruction was given	DATE		TIME		NAME	
Date and time the required works were completed by the appointed contractor	DATE		TIME		NAME	

What attempts were made to obtain prior authorisation from the bidding committee or HOD?	

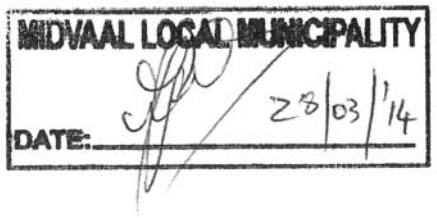
PTO



BEST INTEREST: FORM C (Continued)

Is the pricing of the works required market related? Please elaborate.					
Indicate whether the action can be attributed to negligence. If not, motivate.					
Indicate whether any fruitless expenditure/damage has occurred. If not, motivate.					
Did the application arise from an Audit inquiry?	No		Yes (give details)		
REQUEST SUBMITTED BY:	_____ USER DEPARTMENT	_____ NAME	_____ DATE	_____ SIGNATURE	
DELEGATED APPROVAL	**YES/NO**	**PLEASE INDICATE IN THE BOX IF THE EX-POST FACT IS APPROVED OR NOT**			
		HEAD OF DEPARTMENT	_____ NAME	_____ DATE	_____ SIGNATURE
		ED: FINANCIAL SERVICES	_____ NAME	_____ DATE	_____ SIGNATURE

		MUNICIPAL MANAGER	_____ NAME	_____ DATE	_____ SIGNATURE



ANNEXURE C

Midvaal Local Municipality
Contact Details
PO Box 9, Meyerton 1960
Tel: 016-360-7521
016-360-7400
www.midvaal.gov.za

INTERNAL MEMORANDUM

MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/'14

TO: SUPPLY CHAIN MANAGEMENT UNIT

FROM: EXECUTIVE DIRECTOR: _____

DATE: _____ FILE REF: _____

REQUEST FOR PLACEMENT OF ADS / NOTICES / PRESS RELEASES / VACANCIES / BID IN THE PRESS

Kindly obtain quotations for an advertisement to be placed in the media as follows:

LOCAL MEDIA (MOOIVAAL)		COMMUNITY MEDIA		NATIONAL MEDIA		GOVERNMENT MEDIA	
Meyerton Ster		Henley Herald		The Star		Government Gazette	
Sedibeng Ster		The Courier		Die Beeld		Provincial Gazette	
Vereeniging Ster		Walkerville Village; Valley Views; Eikenhof Echo; De Deur Village Gazette; Meyerton Meander; River Valley Reporter; Daleside Village Reporter; Klipriver Valley Views; Vaal Marina Village Bulletin; Midvaal Meander *		Rapport/City Press Combo		Tender Bulletin	
Vanderbijlpark Ster				Business Day			
Sasolburg Ster				Mail & Guardian			
Vaal Weekblad				Sunday Independent			
Lesedi		** These community papers are managed through Terry Scott paying one fee for all of the above distributed in the relevant areas.*		The Sowetan			
All Mooivaal papers' deadline: Tuesday's 10:00 at the Printers one week prior to placement (including signed off proofs and quotes)				The Sunday Times		*The deadline for Government Printers is Wednesday's 10:00 two weeks prior to placement in the Gazette's or Bulletins and payable upfront.*	
See distribution areas below.		*Deadline 5th of each month, as printing takes place on 10h & deliveries 15th of each month.*		The Citizen			
Loxton				Sondag			
				Daily Sun			
				Deadlines for these media is usually Wednesday's 10:00 one week prior to placement (including signed off proofs and quotes)			

SEDIBENG DISTRIBUTION: 101 000 DISTRIBUTION PER WEEK

AREAS: Sharpville, Vanderbijlpark, Vereeniging, Sicelo, Rust-ter-Vaal, Roshnee, Steelpark, Bedworthpark, West side park, Palmsprings, Evaton, Evaton North, Bophelong, Sebokeng (all zones), Orange Farms and Boipatong.

MEYERTON STER: 9 100 DISTRIBUTION PER WEEK

AREAS: Daleside, Golf Park, Groendenne, Henley-on-klip, Kookrus, Meyerton, Randvaal, Redan, Riversdale, Rothdene, Small Farms, Industury ext 1 & 2.

VEREENIGING STER: 23 600 DISTRIBUTION PER WEEK

AREAS: Arconpark, Bertha Staft, Dadaville, Dickensonpark, Drie Riviere, Duncanville, Duncanville Industry, Falconridge, Leeuhof, Maccauvlei, Peacehaven, Powerville, Richmond, Risiville, Roshnee, Rust ter Vaal, Sonlandpark, Sprincol, Steelpark, Unitaspark, Vereeniging, Viljoensdrift, Waldrift.

VANDERBIJLPARK STER: 27 100 DISTRIBUTION PER WEEK

AREAS: Bedworthpark, Bonnanè, Flora Gardens, Vanderbijlpark, S-Area, C-Area, CW-Area, NW 7-Area, CBD and CE 6 Industry.

SASOLBURG STER: 12 900 DISTRIBUTION PER WEEK

AREAS: Clydesdale, Deneysville, Groenpunt, Kragbron, Sasolburg, Vaalpark, Welgelegen, Sasol Industry.

LESEDI NEWSPAPER: 21 000 COPIES PER WEEK

AREAS: Black community in Sedibeng (30% focus on Sedibeng and 70% focus on National) distributed every Thursday.

COURIER: 50 000 COPIES IN THE VAAL TRIANGLE (MONTHLY)

AREAS: Vereeniging, Vanderbijlpark, Sasolburg, Vaal Park, Meyerton and Roshnee. (Estimated 150 000 to 200 000 readers).

SIZE OF AD TO BE PLACED IN THE MEDIA

MOOIVAAL MEDIA				LESEDI		COMMUNITY - WALKERVILLE		COURIER	
BLACK AND WHITE ONLY		FULL COLOUR		FULL COLOUR		BLACK & WHITE		FULL COLOUR	
5 x 6.5 cm		5 x 6.5 cm		18.5 x 12 cm		A4 (full page)		5 x 6 cm	
10 x 6.5 cm		10 x 6.5 cm		11.5 x 9 cm		A5 (half page)		5 x 9 cm (business card)	
10 x 13 cm (Postcard)		10 x 13 cm (Postcard)		8.5 x 6 cm		A6 (quarter page)		10 x 6 cm	
15 x 13 cm		15 x 13 cm		4.5 x 6 cm		One eighth page		10 x 13 cm (A5)	
20 x 13 cm (Quarter page)		20 x 13 cm (Quarter page)		Half page				15 x 13 cm	
20 x 26 cm (Half page)		20 x 26 cm (Half page)		Full Page				Quarter page	
40 x 26 cm (Full page)		40 x 26 cm (Full page)		Flyers per 1000				Half page	
VOTE:								Full page	

Placement date: week of _____20__.

Yours faithfully

_____ _____

NAME: **DESIGNATION:**

MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/'14

SIGNATURE

MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/14

ANNEXURE D

MIDVAAL
Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

CHECKLIST FOR SUPPLY CHAIN PROCESS TO PROCEED

REQUIREMENT	DESCRIPTION	RESPONSIBLE PERSON	YES/NO	DATE/DETAILS
IDP	Was the capital project approved in the IDP – council approval	End user/SCM		
BUDGET	Approved in operational or capital – council approval	End user/SCM		
VOTE NUMBER	Is the vote number allocated	End user/ Finance		
FUNDING SECURED CRR/GRANTS/ DONATIONS	➢ Is the funding in the bank ➢ If not, what are the grant payment requirements: DME/RBIG/MIG/DAC/CRR	End user/Finance		
CASH FLOW/BUDGET	➢ Did finance comment on the cash flow and confirm the funding?	End user/ Finance		
BUILDING PLANS (APPLICABLE TO CIDB CAPITAL PROJECTS)	➢ Have the building plans been approved or been submitted for approval?	End user/ Dev & Plan		
PROJECT FILES (APPLICABLE TO CAPITAL PROJECTS)	➢ Are the project files up to date at finance with all the relevant information pertaining to this bid (capital projects)	SCM		
COMMENTS	➢ Are the comments of all the council departments included in the report to the specs committee?	End user		

DEPARTMENT	COMMENTS	SIGNATURE
SOCIAL SERVICES		
ENGINEERING SERVICES		
DIRECTOR: PMU		
DEV AND PLANNING		
PROTECTION SERVICES		
CORPORATE SERVICES		
HUMAN RESOURCES		
FINANCIAL SERVICES		

REQUEST SUBMITTED BY: _____ **DATE:** _____

DESIGNATION:_____ **SIGNATURE:** _____

MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/'14

TECHNICAL EVALUATION OF THE BIDS RECEIVED FOR BID NUMBER 8/2/ / / : DESCRIPTION OF BID

ANNEXURE E

Technically evaluated by:

Name: _____ _____ _____

Designation: END USER, SUPERVISOR, DIRECTORS AND PMU/BUILD CONTROL ON CONSTRUCTION, ALTERATIONS AND RENOVATIONS OF COUNCIL BUILDINGS AND NEW WORKS

Signatures: _____ _____ _____

Date: _____

MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/'14

Technical findings:

BIDDER	TECHNICAL CAPABILITY	EPWP (if applicable)	* SITE INSPECTION CONDUCTED ON ITEMS OFFERED AND SITE (SIGNED INSPECTION SHEETS)	EXPERIENCE RELEVANT TO THE PROJECT/WORKS	EXPERIENCE CONFIRMED	PRICE COMPARED TO ESTIMATE	COMMENTS

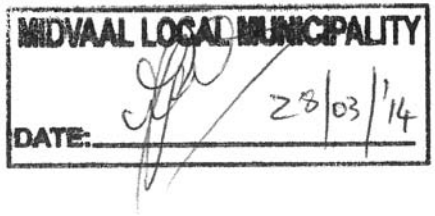
* ***NB:*** *Site inspections conducted may include photos of the premises and plant and equipment offered for this bid. Please ensure that a council representative and the bidder (authorised to sign) signs the attendance and inspection check list of the inspection conducted. The bidders need to have proof on hand of ownership of the vehicles (Natis/registration papers) for vehicles, plant and equipment offered. Bidders also need to have proof that drivers/operators of these items are qualified and have valid licences to drive and operate these vehicles. All vehicles must be inspected for road worthiness. Please check the specifications approved to ensure that all aspects of the specs/scope are being met.*

Vote: _____ **Budget for 2013/2014:** _____

Cost estimate of end user department: _____

Motivation/breakdown for cost estimate: _____

Recommendation:_____


MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/14

LOGISTICS MANAGEMENT PROCEDURES (JUNE 2013)

ANNEXURE F

Introduction

1. Logistics management must provide for an effective system in order to provide for the setting of inventory levels, placing of orders, receiving and distribution of goods, stores and warehouse management, expediting orders, transport management, vendor performance, and maintenance and contract administration.

GENERAL LOGISTICS

Placing of Orders

1. Purchase orders will be created with reference to requisitions where the supply source is either bids or quotations.

2. All purchase orders will be captured on the MLM's Venus system exclusive of VAT.

3. Standing orders (also known as "framework orders") will be used in cases where longer term arrangements, necessitating interim payments, are required.

4. Purchase order approvals will be systems based and shall be authorized by the Procurement Department only.

Receiving of Goods

1. Goods received will be captured on the MLM Venus system via a Goods Received Note with reference to the relevant purchase order. Where applicable, the Treasury Department's Assets Section (for asset creation) and Insurance Section (for claims) will be informed of the purchase via the MLM Venus system, at the end of the procurement process, in terms of other applicable policies.

2. Deliveries of goods may not exceed the order quantity. Short deliveries will keep the purchase order open until the balance of the order is received or cancelled.

Expediting Orders

1. The purchasing expeditor will be required to monitor and expedite outstanding purchase orders.

2. Reminder letters can be communicated automatically to vendors based on the reminder levels (days before delivery due date) that are set in the purchase order.

Fleet and Fuel Management

The fleet and fuel management policies of MLM must be adhered to at all times.

Vendor Performance

MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/'14

1. The Venus/Intenda system will enable system-based evaluation, based on the vendors' performance with regard to certain pre-determined criteria.

2. This information will be available for future evaluation purposes, contract negotiations and regular feedback to the vendors.

Contract Administration

1. Contract administration includes all administrative duties associated with a contract that has arisen through one of the acquisition/procurement processes described in this policy.

2. All contracts must be administered by a contract manager within the various departments, who will be an internal official assigned to ensure the effective administration of the contract. The contract manager will typically be the internal project manager assigned to the project as a whole, but may also be a cost centre owner or other responsible official.

3. A contract manager must be assigned to each contract and, where possible, should be involved from the earliest stages of the acquisition process.

4. The contract manager's duties and powers shall be governed by the conditions of contract and the general law.

5. In administering a contract, the contract manager will be required to form opinions and make decisions which, while in the Council's best interests, must be fair to all parties concerned.

6. Departmental Heads (Directors) shall be responsible for ensuring that contract managers:

 6.1 are assigned to all contracts within the Department Head's area of responsibility;
 6.2 are adequately trained so that they can exercise the necessary level of responsibility in the performance of their duties.

7. The contract manager shall:

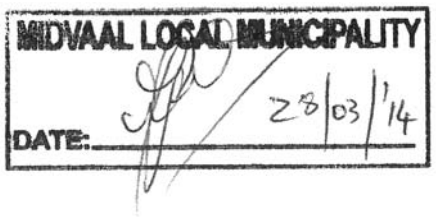
- ensure that all the necessary formalities in signing up the contract and/or issuing the purchase order(s) are adhered to;

- ensure that contracts related to the procurement of goods and services are captured on the Council's Venus system in the form of a price schedule;

- ensure that all original contract documentation is lodged with the Supply Chain Management Unit and Records section for record purposes;

- monitor the performance of the contractor in order to ensure that all of the terms and conditions of the contract are met in collaboration with the Performance and systems Coordinator;

- where necessary, take appropriate action where a contractor is underperforming or is in default or breach of the contract;



- where appropriate, authorise payments due in terms of the contract by processing payment certificates (if applicable), and ensuring that the necessary Service Entry Sheets or Goods Received Notes are captured on the Council's Venus system;
- manage contract variation or change procedures;
- administer disputes where necessary, in terms of this policy and the applicable Conditions of Contract;
- conduct, as appropriate, post contract reviews;
- maintain adequate records (paper and/or electronic) in sufficient detail on an appropriate contract file to provide an audit trail;
- act with care and diligence and observe all accounting and legal requirements.

STOCK LOGISTICS

Valuation of Stock

1. Stock is valued on the weighted average costing method per plant and is VAT exclusive.

2. VAT is claimed upon purchase and output VAT is accounted for at the time of issue according to the accounting policy.

Setting of Inventory Levels

1. Stock items shall be systematically replenished using the re-order point planning strategy.

2. Open reservations shall be taken into account during the replenishment run.

Issuing of Stock

Goods will be issued from stock with reference to reservations. Goods can be issued for consumption against internal orders, cost centres, projects and assets under construction.

Stock Replenishment

1. Purchase orders will be created, where applicable, with reference to replenishment requisitions in respect of term supply contracts for goods.

2. Replenishment requisition approvals will be systems based.

3. All replenishment will be effected via the Procurement Management System.

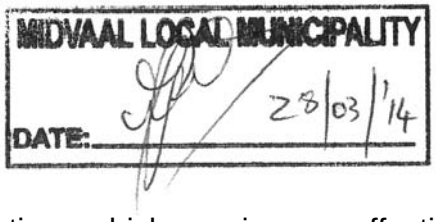
Stores Management

1. The stores function shall be decentralised in Midvaal Local Municipality and will operate under the jurisdiction of the Supply Chain Management Department.

MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/14

2. The Supply Chain Management Department must ensure proper financial and budgetary control; uphold the principle of effective administration, proper stock holding and control, product standardisation, quality of products and a high standard of service levels.

DISPOSAL MANAGEMENT SYSTEM



Goal

1. To give effect to:

 1.1 Regulation 40 of the Supply Chain Management Regulations which requires an effective system for the disposal of letting of assets including unserviceable, redundant or obsolete assets, and

 1.2 the Municipal Asset Transfer Regulations,

 subject to sections 14 and 90 of the Municipal Finance Management Act (MFMA) and any other applicable legislation.

2. As far as possible, assets to be disposed of must be made available to recycling. Disposal to landfill is not allowed unless no recycling options are available.

Disposal Management System

1. Subject to the provisions of the Municipal Asset Transfer Regulations:

 1.1 moveable assets may be sold either by way of written price quotations, a competitive bidding process, auction or at market related prices, whichever is the most advantageous to the Council;

 1.2 immovable property may:

 1.2.1 be sold only at market related prices to the highest bidder, except when the public interest or the plight of the poor demands otherwise;

 1.2.2 let only at market related rates to the highest bidder except when the public interest or the plight of the poor demands otherwise and provided that all charges, rates, tariffs, scales of fees or other charges relating to the letting of immoveable property are annually reviewed;

 1.3 in the case of the free disposal of computer equipment, the provincial department of education must first be approached to indicate within 30 days whether any of the local schools are interested in the equipment;

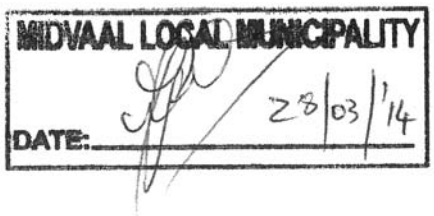
 1.4 in the case of fire arms, the National Conventional Arms Control Committee must approve any sale or donation of firearms to any person within or outside the Republic.

Transfer or Permanent Disposal of Assets and the Granting of Rights

1. Non-exempted capital assets shall be transferred or permanently disposed of strictly in accordance with Chapter 2 of the Municipal Asset Transfer Regulations.

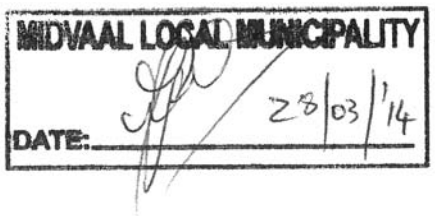
2. Exempted capital assets shall be transferred strictly in accordance with Chapter 3 of the Municipal Asset Transfer Regulations.
3. The granting of rights (where sections 14 and 90 of the MFMA do not apply) by the Council shall be executed strictly in accordance with Chapter 4 of the Municipal Asset Transfer Regulations.

Bidding process/SCM/Policies & Procedure/stores/Logistics management procedures



THE FOLLOWING DOCUMENTS MUST BE READ IN CONJUNCTION WITH THE SUPPLY CHAIN MANAGEMENT POLICY:

- DIVISION OF LEGISLATIVE AND EXECUTIVE FUNCTIONS AND DELEGATIONS OF AUTHORITY (MARCH 2013)
- COUNCIL VEHICLE POLICY (2 DECEMBER 2003)
- VEHICLE REPLACEMENT POLICY (22 MARCH 2012)
- POLICY: PURCHASING OF VEHICLES TO BE DONE VIA THE MECHANICAL WORKSHOP – VEHICLE PROXY (31 MAY 2011)
- POLICY ON UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE (23 JULY 2013)
- POLICY OF THE ACCEPTANCE OF GRANTS, GIFTS, DONATIONS AND SPONSORSHIPS (29 AUGUST 2013)
- SUPPLY CHAIN MANAGEMENT PROCESS TURN-AROUND TIME POLICY (30 JANUARY 2014)
- COMMODITY / SECTOR BASED PROCUREMENT POLICY (28 NOVEMBER 2013)
- ISSUING AND USE OF FUEL POLICY (2014)
- STORES MANAGEMENT POLICY (2014)



ASSET MANAGEMENT POLICY

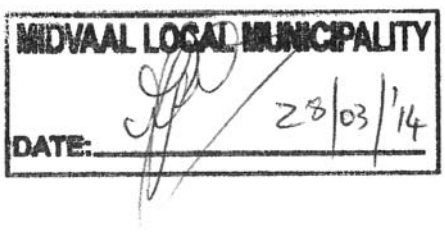
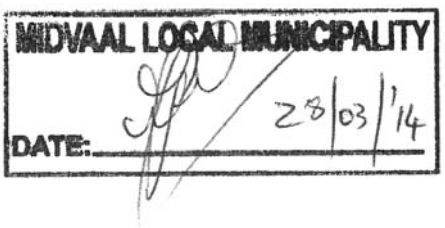


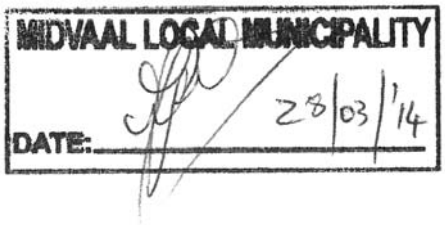
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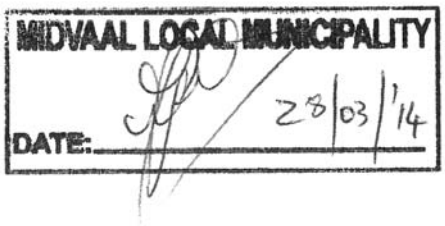
ABBREVIATIONS

MLM	MIDVAAL LOCAL MUNICIPALITY
AMP	Asset Management Plan
AO	Accounting Officer
ASB	Accounting Standards Board
CFO	Chief Financial Officer
CMIP	Comprehensive Municipal Infrastructure Plan
CoGTA	Department of Co-operative Governance and Traditional Affairs
CRC	Current Replacement Cost
DRC	Depreciated Replacement Cost
EPWP	Expanded Public Work Program
EUL	Estimated Useful Life
GIAMA	Government-wide Immoveable Asset Management Act
GRAP	Generally Recognised Accounting Practise
HOD(SO)	Head of Department (Senior Official)
IAMP	Infrastructure Asset Management Plan
IDP	Integrated Development Plan
IIMM	International Infrastructure Management Manual
ISO	International Standards Organisation
MFMA	Municipal Finance Management Act
MSA	Municipal Systems Act
ODRC	Optimised Depreciated Replacement Cost
OHSA	Occupational Health and Safety Act
PPE	Property, Plant and Equipment
RUL	Remaining Useful Life
RV %	RV % Residual Value Percentage
SDBIP	Service Delivery and Budget Implementation Plan
VAT	Value Added Tax

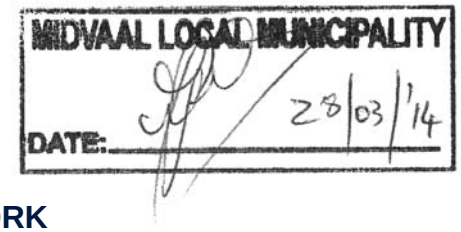


1. PURPOSE OF THIS DOCUMENT

This document indicates the policy framework for the management of Municipal movable and immovable Property Plant and Equipment (PPE), investment property, intangible, biological assets and heritage assets.



2 BACKGROUND



2.1 CONSTITUTIONAL AND LEGAL FRAMEWORK

The South African Constitution requires municipalities to strive, within their financial and administrative capacity, to achieve the following objects:

- providing democratic and accountable government for local communities;
- ensuring the provision of services to communities in a sustainable manner;
- promoting social and economic development;
- promoting a safe and healthy environment; and
- encouraging the involvement of communities and community organisations in matters of local government.

The manner in which a municipality manages its Property, Plant and Equipment (PPE), investment property, intangible assets and heritage assets are central to meeting the above challenges. Accordingly, the Municipal Systems Act, 2000 (MSA) section 2(d) specifically highlights the duty of municipalities to provide services in a manner that is sustainable, and the Municipal Finance Management Act (MFMA) requires municipalities to utilise and maintain their assets in an effective, efficient, economical and transparent manner. The MFMA specifically places responsibility for the management of municipal assets with the Accounting Officer (AO).

The Occupational Health and Safety Act (OHSA) requires municipalities to provide and maintain a safe and healthy working environment, and in particular, to keep its PPE safe.

2.2 ACCOUNTING STANDARDS

The MFMA requires municipalities to comply with the Standards of Generally Recognised Accounting Practice (GRAP), in line with international practice.

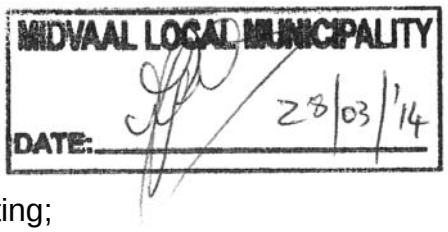
The Accounting Standards Board (ASB) has approved a number of Standards of GRAP. When compiling the asset register in accordance with the accounting standards, the requirements of GRAP 17 cannot be seen in isolation. Various other accounting standards impact on the

recognition and measurement of assets within the municipal environment and should be taken into account during the compilation of a GRAP compliant asset register. The applicable standards of GRAP are noted in section 8.

2.3 MANAGEMENT OF INFRASTRUCTURE AND COMMUNITY ASSETS

Effective management of infrastructure and community facilities is central to the municipality providing an acceptable standard of services to the community. Infrastructure impacts on the quality of the living environment and opportunities to prosper. Not only is there a requirement to be effective, but the manner in which the municipality discharges its responsibilities as a public entity is also important. The municipality must demonstrate good governance and customer care, and the processes adopted must be efficient and sustainable. Councillors and officials are custodians on behalf of the public of infrastructure assets, the replacement value of which amounts to several hundred million Rand.

Key themes of the latest generation of national legislation introduced relating to municipal infrastructure management include:



- long-term sustainability and risk management;
- service delivery efficiency and improvement;
- performance monitoring and accountability;
- community interaction, transparent processes and reporting;
- priority development of minimum basic services for all; and
- the provision of financial support from central government in addressing the needs of the poor.

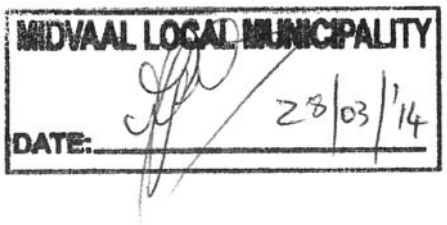
Legislation has also entrenched the Integrated Development Plan (IDP) as the principal strategic planning mechanism for municipalities. However, the IDP cannot be compiled in isolation – for the above objectives to be achieved, the IDP needs to be informed by robust, relevant and holistic information relating to the management of the municipality's infrastructure.

There is a need to direct limited resources to address the most critical needs, to achieve a balance between maintaining and renewing existing infrastructure whilst also addressing backlogs in basic services and facing on-going changes in demand. Making effective decisions on service delivery priorities requires a team effort, with inputs provided by officials from a number of departments of the municipality.

CoGTA has prepared guidelines in line with international practice, that propose that an Infrastructure Asset Management Plan (IAMP) is prepared for each sector (such as potable water, roads etc.). These plans are used as inputs into a Comprehensive Municipal Infrastructure Plan (CMIP) that presents an integrated plan for the municipality covering all infrastructure. The arrangements outlined in the CoGTA guidelines are further strengthened by the provision of National Treasury's Local Government Capital Asset Management Guidelines. This is in line with the practice adopted in national and provincial spheres of government in terms of the Government-wide Immoveable Asset Management Act (GIAMA).

Accordingly, the asset register adopted by a municipality must meet not only financial compliance requirements, but also set a foundation for improved infrastructure asset management practice.

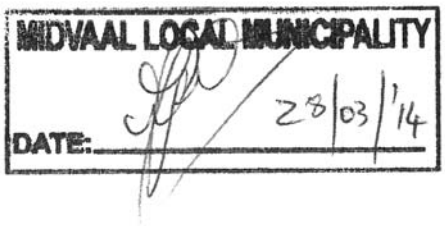
Recognised good practice in the management of infrastructure assets from across the globe has been increasingly documented over the past 10 to 15 years. In 2000, the World Bank cited practice in Australasia as representative of best practice and this has been captured in the International Infrastructure Management Manual (IIMM), and regularly updated with case studies from across the globe, including South Africa. In 2008 the British Standards Institute issued PAS 55 (a publicly available specification on asset management). There is now an initiative by the International Standards Organisation (ISO) to draw on these documents to establish an international standard for infrastructure asset management (ISO 55000 series) that is expected to be issued in 2014. Progressive entities are expected to set compliance with the proposed ISO as a benchmark for practice.



3. OBJECTIVES

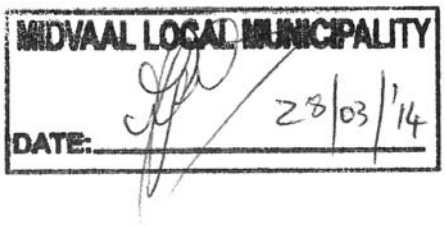
The objective of this policy is for the municipality to:

- implement prevailing accounting standards; and
- apply asset management practice in a consistent manner and in accordance with legal requirements and recognised good practice.

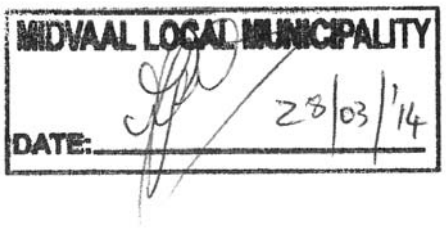


4. APPROVAL AND EFFECTIVE DATE

The policy will be effective as from 1 July 2014.



5. DELEGATIONS AND KEY RESPONSIBILITIES



Accounting Officer

The Accounting Officer (AO) is responsible for the management of the assets of the municipality, including the safeguarding and the maintenance of those assets.

The AO shall ensure that:

- The municipality has and maintains a management, accounting and information system that accounts for the assets of the municipality;
- The municipality's assets are valued in accordance with the standard of generally recognised accounting practice;
- That the municipality has and maintains a system of internal control for assets, including an asset register; and
- The HOD(SO)s and their teams comply with this policy.

The Accounting Officer of the municipality shall be the principal custodian of the entire municipality's assets, and shall be responsible for ensuring that this policy is effectively applied on adoption by Council. To this end, the AO shall be responsible for the preparation, in consultation with the Chief Financial Officer (CFO) and Heads of Department (Senior Official) (HOD(SO)), of procedures to effectively and efficiently apply this policy.

This policy should be applied with due observance of the municipality's policy with regard to delegated powers. Such delegations refer to delegations between the AO and other responsible officials as well as between Council and the Executive Mayor and the Council and the AO. All delegations in terms of this policy must be recorded in writing.

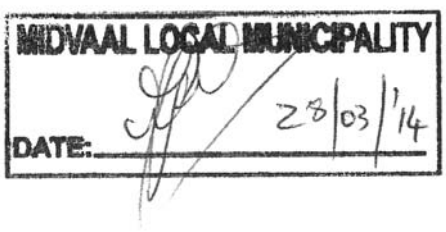
In accordance with the MFMA, the AO of the municipality and all designated officials are accountable to him / her. The AO is therefore accountable for all transactions entered into by his / her delegates. The overall responsibility of asset management lies with the AO. However, the day to day handling of assets should be the responsibility of all officials in terms of delegated authority reduced in writing. The AO may delegate or otherwise assign responsibility for performing these functions but will remain accountable for ensuring these activities are performed.

Chief Financial Officer

The Chief Financial Officer (CFO) is responsible to the AO to ensure that the financial investment in the municipality's assets are safeguarded and maintained.

The CFO, as one of the HOD(SO)s of the municipality, shall also ensure, in exercising his financial responsibilities, that:

- Appropriate systems of financial management and internal control are established and carried out diligently;
- The financial and other resources of the municipality are utilised effectively, efficiently, economical and transparently;
- Any unauthorised, irregular or fruitless or wasteful expenditure, and losses resulting from criminal or negligent conduct, are prevented;
- All revenue due to the municipality is collected, for example rental income relating to immovable assets;
- The systems, procedures and registers required to substantiate the financial values of the municipality's assets are maintained to standards sufficient to satisfy the requirements of the Accounting Standards;
- Financial processes are established and maintained to ensure the municipality's financial resources are optimally utilised through appropriate asset plans, budgeting, purchasing, maintenance and disposal decisions;
- The AO is appropriately advised on the exercise of powers and duties pertaining to the financial administration of assets;
- The HOD(SO)s and senior management teams are appropriately advised on the exercise of their powers and duties pertaining to the financial administration of assets; and
- This policy and support procedures are established, maintained and effectively communicated.



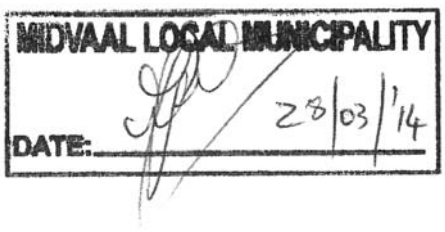
In terms of section 82 read with section 81(1)(e) of the MFMA the CFO may delegate or otherwise assign responsibility for performing these functions but will remain accountable for ensuring these activities are performed. The CFO shall be the fixed asset registrar of the municipality, and shall ensure that a complete, accurate and up-to-date computerised fixed asset register is maintained. No amendments, deletions or additions to the fixed asset register shall be made other than by the CFO or by an official acting under the written instruction of the CFO.

Head of Department (Senior Official)

HOD(SO)s are managers who report directly to the AO shall ensure that:

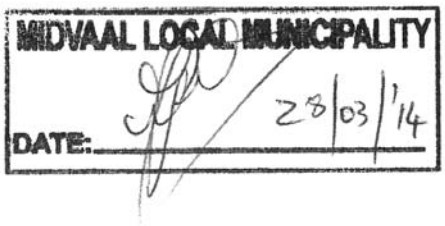
- The municipal resources assigned to them are utilised effectively, efficiently, economically and transparently;
- Procedures are adopted and implemented in conformity with this policy to produce reliable data to be input to the municipal fixed asset register;
- Any unauthorised, irregular or fruitless or wasteful utilisation, and losses resulting from criminal or negligent conduct, are prevented;
- The asset management, processes and controls can provide an accurate, reliable and up to date account of assets under their control;
- They are able to manage and justify that the asset plans, budgets, purchasing, maintenance and disposal decisions optimally achieve the municipality's strategic objectives; and
- Manage asset life-cycle transactions to ensure that they comply with the plans, legislative and municipal requirements.

HOD(SO)s may delegate or otherwise assign responsibility for performing these functions but they shall remain accountable for ensuring these activities are performed.



6. POLICY AMENDMENT

This policy should be reviewed annually to ensure continued compliance with the relevant legislation and accounting standards.

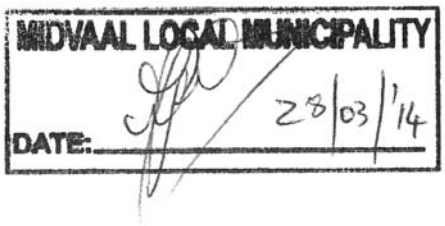


7. RELATIONSHIP WITH OTHER POLICIES

This policy, once effective, will replace the pre-existing Asset Management with respect to the scope of assets covered by this policy.

This policy needs to be read in conjunction with other relevant adopted policies of the municipality, including the following:

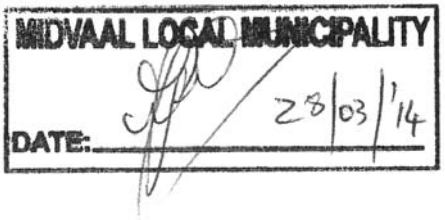
- Delegation of Powers;
- Accounting Policy;
- Supply Chain Management Policy;



8. REFERENCES

The following references were observed in compiling this document:

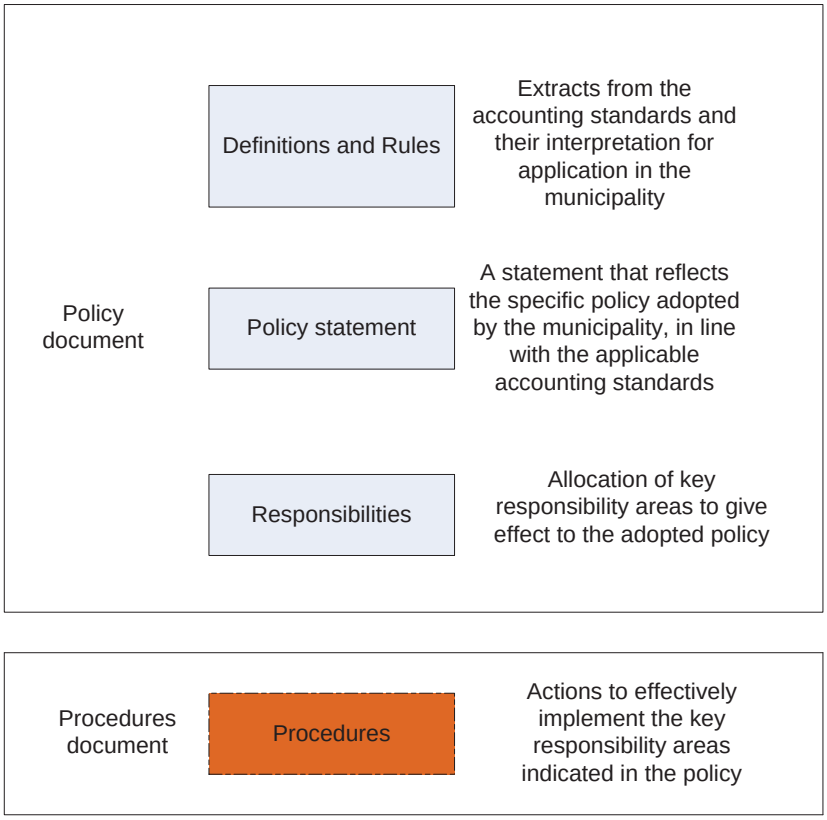
- Asset Management Framework, National Treasury, 2004
- Guidelines for Infrastructure Asset Management in Local Government, Department of Provincial and Local Government, 2006
- Municipal Finance Management Act, 2003
- Disaster Management Act, 2002
- Municipal Systems Act, 2000
- Municipal Structures Act, 1998
- Accounting Standards Board
- MFMA Circular 18 & 44
- Local Government Capital Asset Management Guidelines, National Treasury, 2008
- Government Gazettes (30013 & 31021)
- Generally Recognised Accounting Practice (1-14, 16, 17, 19, 21, 23-27, 31 and 100-104)
- Interpretations of the standards of GRAP issued by the Accounting Standards Board (ASB) (IGRAP 1- 17)
- Directives issued by the ASB
- Municipal transfer and disposal regulations, Government Gazette no.31346
- Accounting guideline issued by National Treasury relating to intangible assets
- Government Gazette, 30 May 2005, No. 27636 on disposal

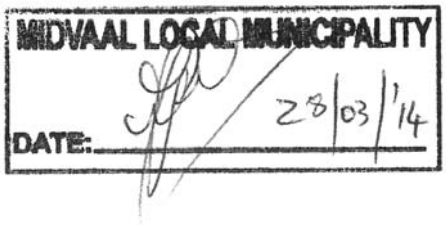


9. POLICY FORMAT

Figure 1 gives an overview to the format of presentation of this policy document, and how it links to a separate document that provides the procedures.

Figure 1 - Interaction between the policy and the procedures





10. POLICY FOR FIXED ASSET ACCOUNTING

10.1 RECOGNITION OF IMMOVABLE AND MOVABLE ASSETS

(a) Definitions and rules

Asset

An asset is defined as a resource controlled by an entity, as a result of past events; future economic benefits or service potential associated with the item will flow to the entity.

Fixed Asset

A fixed asset (also referred to as a “non-current asset”) is an asset with an expected useful life greater than 12 months.

PPE

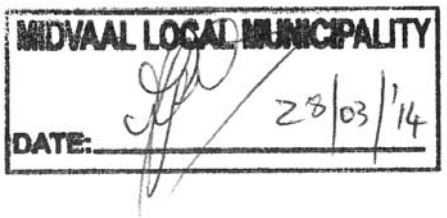
Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, for rentals to others, or for administrative purposes; and are expected to be used during more than one reporting period. This includes items necessary for environmental or safety reasons to leverage the economic benefits or service potential from other assets. Insignificant items may be aggregated. Property, plant and equipment are broken down into groups of assets of a similar nature or function in the municipality’s operations for the purposes of disclosure in the financial statements.

Immovable PPE

Immoveable PPE are fixed structures such as buildings and roads. A plant that is built-in to the fixed structures and is an essential part of the functional performance of the primary asset is considered an immovable asset (though it may be temporarily removed for repair).

Movable PPE

Movable assets are the stock of equipment owned or leased by the municipality such as office equipment and furniture, motor vehicles and mobile plant.



Investment property

Investment property is defined as property (land and/or a building, or part thereof) held (by the owner or the lessee under a finance lease) to earn rentals or capital appreciation, or both (rather than for use in the production or supply of goods or services or for administration purposes or sale in the ordinary course of operations). Examples of investment property are office parks that are rented out. There is no asset hierarchy for investment property; each functional item will be individually recorded. Land held for a currently undetermined use is recognised as investment property until such time as the use of the land has been determined.

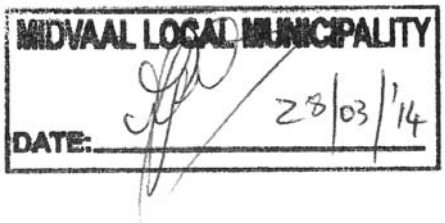
Intangible assets

Identifiable non-monetary assets, without physical substance are intangible assets, for examples licenses or rights (such as water licenses), servitudes and software.

An asset meets the criterion of being identifiable in the definition of an intangible asset when it:

(a) is separable, i.e. is capable of being separated or divided from the municipality and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, asset or liability, or

(b) arises from contractual rights (including rights arising from binding arrangements) or other legal rights (excluding rights granted by statute), regardless of whether those rights are transferable and separable from the municipality or from other rights and obligations.



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Biological Assets

Biological assets are living animals or plants as per the definition in the GRAP on Agriculture.

Capital Spares (Major Spare Parts)

Spares and materials used on a regular basis in the ordinary course of operations are usually carried as inventory (i.e. they are not usually considered fixed assets) and are expensed when consumed. Major spares that constitute an entire or significant portion of a component type, or a specific component, defined in the immovable PPE asset hierarchy are considered capital spare parts and are recognised as an item of PPE as they are expected to be used for more than one period or they can only be used in connection with an item of PPE.

Useful Life

The period over which an asset is expected to be available for use by an entity, or the number of production units expected to be obtained from the asset by an entity.

Major inspections

A condition of continuing to operate an item of PPE may be to perform regular major inspections for faults regardless of whether parts of the item are replaced (for example, Occupational Health and Safety Act no. 85 of 1993 requires lifting equipment to be inspected once a year). When each major inspection is performed, its cost is recognised in the carrying amount of the item of PPE as a replacement if the recognition criteria are satisfied. Any remaining carrying amount of the cost of the previous inspection (as distinct from physical parts) is de-recognised. This occurs regardless of whether the cost of the previous inspection was identified in the transaction in which the item was acquired or constructed. If necessary, the estimated cost of a future similar inspection may be used as an indication of what the cost of the existing inspection component was when the item was acquired or constructed.

Items used irregularly

Tangible items that are used in the production or supply of goods or services on an irregular basis (such as standby equipment) are recognised as items of PPE.

Control

An item is not recognised as an asset unless the entity has the capacity to control the service potential or future economic benefit of the asset, is able to deny or regulate access of others to

that benefit, and has the ability to secure the future economic benefit of that asset. Legal title and physical possession are good indicators of control but are not infallible.

Past transactions or events

Assets are only recognised from the point when some event or transaction transferred control to an entity.

Probability of the flow of benefits or service potential

The degree of certainty that any economic benefits or service potential associated with an item will flow to the municipality is based on the judgement. The CFO shall exercise such judgement on behalf of the municipality, in consultation with the respective HOD(SO).

Economic benefits

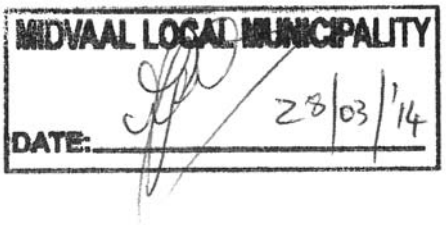
Economic benefits are derived from assets that generate net cash inflows.

Service Potential

An asset has service potential if it has the capacity, singularly or in combination with other assets, to contribute directly or indirectly to the achievement of an objective of the municipality, such as the provision of services.

Leased assets

A lease is an agreement whereby the lessor conveys to the lessee (in this case, the municipality) the right to use an asset for an agreed period of time in return for a payment or series of payments. Leases are categorised into finance and operating leases. A finance lease is a lease that transfers substantially all the risks and rewards incident to ownership of an asset, even though the title may not eventually be transferred (substance over form). Where the risks and rewards of ownership of the asset are substantially transferred to the municipality, the lease is regarded as a finance lease and the asset recognised by the municipality. Where there is no substantial transfer of risks and rewards of ownership to the municipality, the lease is considered an operating lease and payments are expensed in the income statement on a systematic basis (straight line basis over the lease term).



Asset custodian

The department that controls an asset, as well as the individual (asset custodian) or post that is responsible for the operations associated with such asset in the department, is identified by the respective HOD(SO), recorded, and communicated on recognition of the asset.

Reliable measurement

Items are recognised that possess a cost or fair value that can be reliably measured in terms of this policy.

(b) Policy statement

The municipality shall recognise all movable and immovable assets existing at the time of adoption of this policy and the development of new, upgraded and renewed assets on an on-going basis. Such assets shall be capitalised in compliance with prevailing accounting standards.

(c) Responsibilities

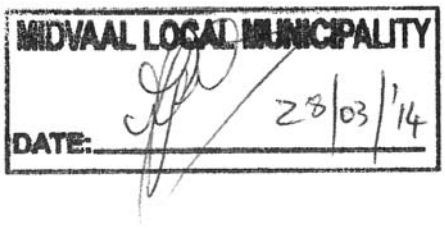
- The CFO, in consultation with the AO and HOD(SO)s, shall determine effective procedures for the recognition of existing and new assets.
- Every HOD(SO) shall ensure that all assets under their control are correctly recognised as assets.
- The CFO shall keep a lease register with the following minimum information: name of the lessor, description of the asset, fair value of the asset at inception of the lease, lease commencement date, lease termination date, economic useful life of the asset, lease payments, and any restrictions in the lease agreement.

10.2 CLASSIFICATION OF ASSETS

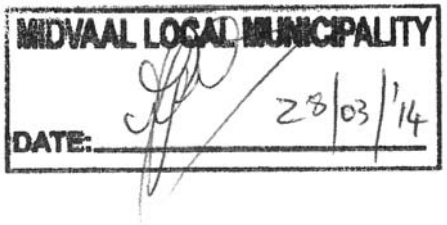
(a) Definitions and rules

Fixed asset categories

- Property, plant and equipment (which is broken down into groups of assets of a similar nature or function in the municipality's operations) (GRAP 17);
- Intangible assets (GRAP 31);
- Heritage assets (GRAP 103);



- Biological assets (GRAP 101/27);
- Capital Finance Lease assets (GRAP 13); and
- Investment property (GRAP 16).



Class of PPE

A class of PPE is defined as a group of assets of a similar nature or function. The total balance of each class of assets is disclosed in the notes to the financial statements.

PPE Asset hierarchy

An asset hierarchy is adopted for PPE which enables separate accounting of parts (components) of the asset that are considered significant to the municipality from a financial point of view, and for other reasons determined by the municipality, including risk management (in other words, taking into account the criticality of components) and alignment with the strategy adopted by the municipality in asset renewal (for example the extent of replacement or rehabilitation at the end of life). In addition, the municipality may aggregate relatively insignificant items to be considered as one asset. The structure of the hierarchy recognises the functional relationship of assets and components.

PPE: Infrastructure

Infrastructure assets are immoveable assets which are part of a network of similar assets that jointly provide service potential.

PPE: Community Property

Community property is immoveable assets contributing to the general well-being of the community, such as community halls and recreation facilities.

PPE: Other property

Buildings that are used for municipal operations such as administration buildings and rental stock or housing not held for capital gain.

PPE: Other Assets

Movable assets are by nature stand-alone assets which are not directly attached or associated with an item of immovable assets and are utilised in an enabling or assisting role on a day-to-day basis.

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Heritage assets

Heritage assets are assets of cultural, environmental, historical, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations, such as monuments, nature reserves, and works of art. Some heritage assets have more than one purpose, e.g. an historical building which, in addition to meeting the definition of a heritage asset, is also used as office accommodation. The CFO, on behalf of the municipality, must use his / her judgement to make such an assessment. The asset should be accounted for as a heritage asset if, and only if, the definition of a heritage asset is met, and only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. If a significant portion is used for production, administrative purposes or supply of services or goods, the asset shall be accounted for in accordance with the Standard of GRAP on PPE.

Investment property

Investment property is defined as property (land and/or a building, or part thereof) held (by the owner or the lessee under a finance lease) to earn rentals or capital appreciation, or both (rather than for use in the production or supply of goods or services or for administration purposes or sale in the ordinary course of operations). Examples of investment property are office parks that are rented out. There is no asset hierarchy for investment property; each functional item will be individually recorded. Land held for a currently undetermined use is recognised as investment property until such time as the use of the land has been determined.

Intangible assets

Identifiable non-monetary assets, without physical substance are intangible assets, for examples licenses or rights (such as water licenses), servitudes and software.

An asset meets the criterion of being identifiable in the definition of an intangible asset when it:
(c) is separable, i.e. is capable of being separated or divided from the municipality and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, asset or liability, or
(d) arises from contractual rights (including rights arising from binding arrangements) or other legal rights (excluding rights granted by statute), regardless of whether those rights are transferable and separable from the municipality or from other rights and obligations.

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However, if the municipality is of the opinion that even though a servitude may meet the definition of an intangible asset, it is essential to the operation of a tangible asset. For example, where the municipality would not be able to construct or operate infrastructure on land that it does not own without acquiring certain rights from the landowner. Therefore the municipality may be of the opinion that it would be more appropriate to include the cost of the servitude in the cost of the tangible asset rather than recognising a separate intangible asset. In such cases servitudes will be accounted for as PPE by applying GRAP 17, and componentisation may be required as the values, nature and the useful life of the servitude and the tangible asset are different.

Servitudes

Where municipalities establish servitudes as part of the registration of a township, the associated rights are granted in statute and are specifically excluded from the standard on intangible assets. Such servitudes cannot be sold, transferred, rented or exchanged freely and are not separable from the municipality. Consequently such servitudes are not recognised in the asset register.

Servitudes that are created through acquisition (including by way of expropriation or agreement) can be recognised as *either intangible assets or PPE* at cost. The municipality *may* include the cost of the servitude in the cost of the PPE if it is essential to the construction or operation of the asset (such as in the case of pipes).

Biological Assets

Biological assets are living animals or plants as per the definition in the GRAP on Agriculture.

Non-current assets held for sale

A non-current asset (or disposal group) is considered to be “held for sale” if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. An immovable asset classified as a “non-current asset held for sale” shall be reclassified as a current asset, and will therefore be taken off the Asset Register. This provision does not apply to immovable assets that are abandoned.

To be classified as “held for sale”, the asset must be available for immediate sale (i.e. to be completed within a year) in its present condition, and it must be highly probable that the sale

will take place (management must be committed to a plan to sell the asset and an active programme to locate a buyer must have been initiated). If the municipality acquires an immovable asset exclusively for the purpose of selling it, it shall be classified as a “non-current asset held for sale” at its acquisition date only if all the above requirements are met.

An extension of the period required to complete the sale does not preclude an asset from being classified as held for sale if the delay is caused by events or circumstances beyond the municipality’s control and there is sufficient evidence that the municipality remains committed to its plan to sell the asset. However, if the municipality has classified an asset as held for sale, but the criteria are no longer met, the municipality shall cease to classify the asset as held for sale.

If the criteria are only met after the reporting date, the municipality shall not classify the immovable asset as held for sale in those financial statements when issued. However, when those criteria are met after the reporting date but before the authorisation date for the financial statements to be issued, the municipality shall disclose a description of the immovable asset; a description of the facts and circumstances of the sale, or leading to the expected disposal, and the expected manner and timing of disposal; and if applicable, the segment in which the asset (or disposal group) is presented. Non-current assets held for sale are not similar to inventory. Inventory refers to assets held for trading purposes, assets manufactured or purchased to be sold for a profit. If a management decision has been made to sell a non-current asset, that asset will be classified as a non-current asset held for sale.

(b) Policy statement

Asset hierarchies shall be adopted for each of the asset groups, separately identifying items of PPE at component level that are significant from a financial or risk perspective, and, where applicable, grouping items that are relatively insignificant. Investment Property and Intangible assets are not required to be componentised.

PPE shall be disclosed in the financial statements at the sub-category level.

A committee to be nominated by Council will consider the recognition of assets as heritage assets and motivate their recommendation for adoption by Council.

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Annexure A indicates the hierarchy structure for immovable assets while **Annexure B** indicates the hierarchy structure for movable assets.

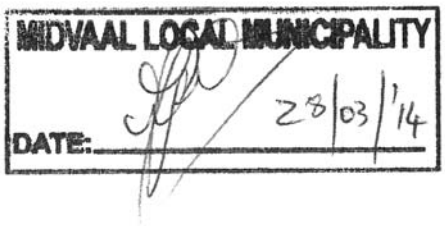
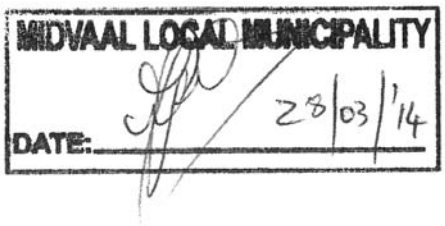
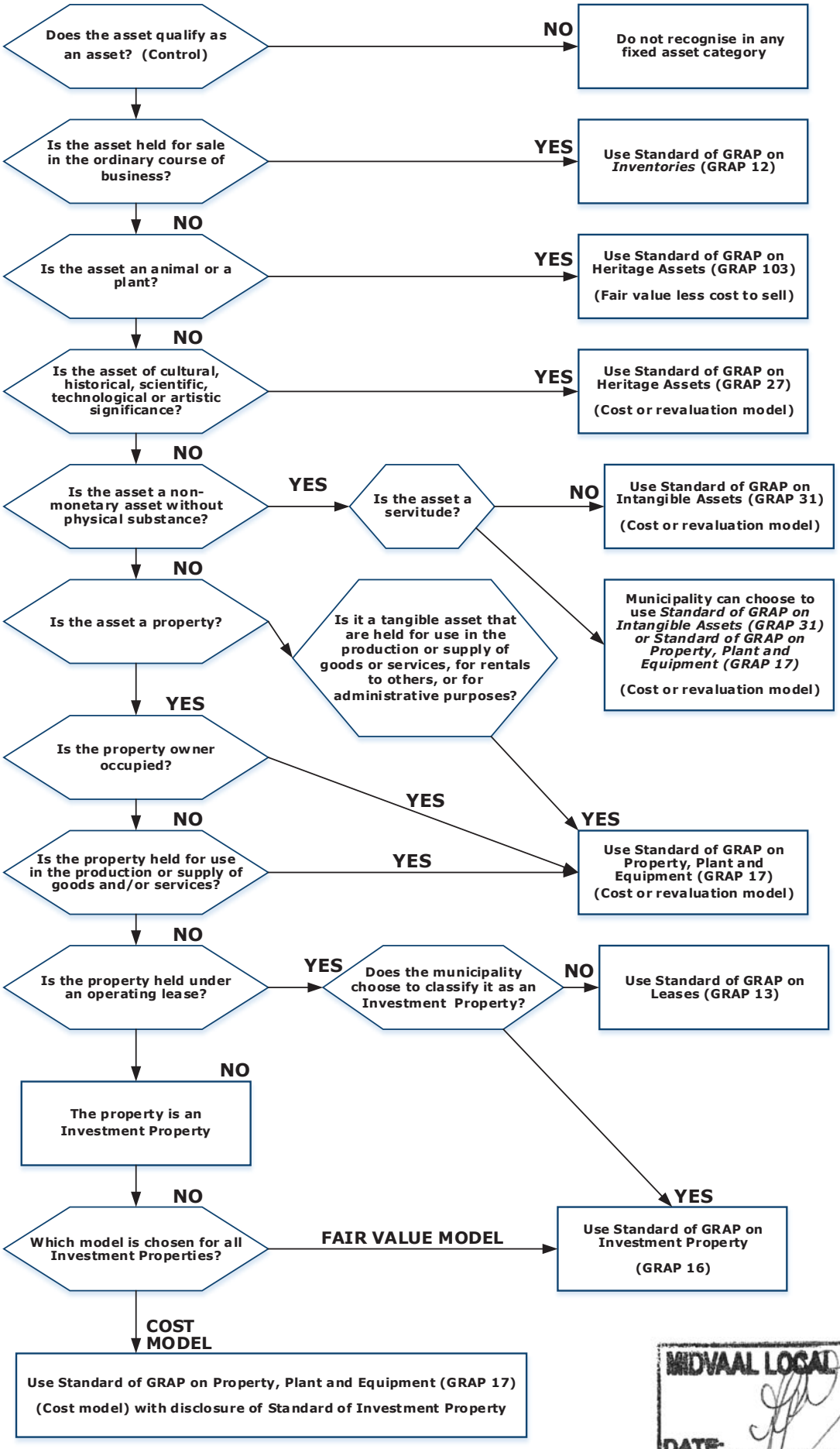


Figure 2 – Decision tree – Classification of assets

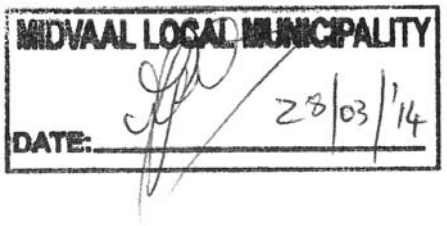




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(c) Responsibilities

- The CFO shall ensure that the classification of immovable assets adopted by the municipality complies with the statutory requirements.
- The CFO shall consult with the HOD(SO) responsible for PPE to determine an effective and appropriate asset hierarchy for each asset class of PPE to component level and record such in the asset management procedures document.
- Every HOD(SO) shall ensure that all immovable assets under their control are classified correctly within the classification adopted by the municipality.
- Every HOD(SO) shall advise the CFO when assets should be re-classified.



10.3 IDENTIFICATION OF ASSETS

(a) Definitions and rules

Immovable asset coding

An asset coding system is the means by which the municipality is able to uniquely identify each immovable asset (at the lowest level in the adopted asset hierarchy) in order to ensure that it can be accounted for on an individual basis.

Barcoding system

A barcoding system will be used for movable assets as the means by which the municipality is able to uniquely identify each movable asset in order to ensure that it can be accounted for on an individual basis, which will also assist with the subsequent verification process of movable assets.

(b) Policy statement

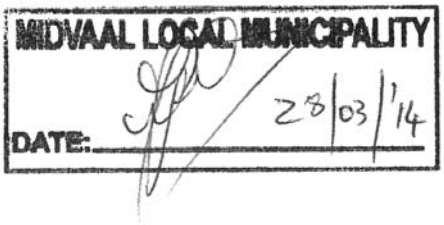
A coding system shall be adopted and applied that will enable each asset of immovable assets (with PPE at the lowest level in the adopted asset hierarchy) to be uniquely and readily identified. Similarly a barcoding system shall be adopted for movable assets.

(c) Responsibilities

- The AO shall develop and implement an immovable asset coding system in consultation with the CFO and other HOD(SO)s to meet the policy objective.

- HOD(SO)s shall ensure that all the immovable assets under their control are correctly coded.
- HOD(SO)s shall ensure that all the movables assets under their control are barcoded.

10.4 ASSET REGISTER



(a) Definitions and rules

Asset register

A fixed asset register is a database with information relating to each asset. The fixed asset register is structured in line with the adopted classification structure. The scope of data in the register is sufficient to facilitate the application of the respective accounting standards for each of the asset classes, and the strategic and operational asset management needs of the municipality.

Procurement of assets

All assets acquired must be in terms of the capital budget and assets must be procured in such a way that:

- a proper need for the asset was identified;
- procurement documentation supports the format adopted for the asset register and the asset hierarchy; and
- proper and approved procurement procedures are adhered to in terms of the Supply Chain Management Policy.

Authorisation for procurement should be as per the Municipalities' delegation of authority and payment for assets should be in accordance with the financial policies and regulations of the Council.

Updating data in the asset register

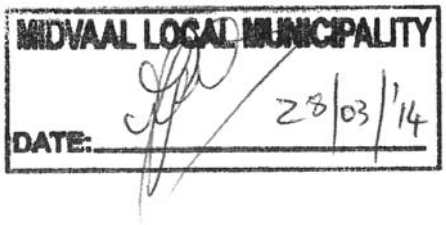
The fixed asset register is updated by an Asset Management Administrator only when authorised and instructed to do so by the CFO. The Asset Management Administrator is precluded from being a custodian of any asset.

(b) Policy statement

A fixed asset register shall be established to provide the data required to apply the applicable accounting standards, as well as other data considered by the municipality to be necessary to support strategic asset management planning and operational management needs. The asset register shall be updated and reconciled to the general ledger on a regular basis, which will be reconciled to the financial statements at year end.

(c) Responsibilities

- The CFO shall define the format of the fixed asset register in consultation with the AO and the HOD(SO)s, and shall ensure that the format complies with the prevailing accounting standards and disclosure requirements.
- HOD(SO)s shall provide the CFO with the data required to establish and update the asset register in a timely fashion.
- The CFO shall establish procedures to control the completeness and integrity of the asset register data.
- The CFO shall ensure proper application of the control procedures.



10.5 MEASUREMENT AT RECOGNITION

(a) Definitions and rules

Measurement at recognition of PPE

An item of PPE that qualifies for recognition is measured at cost. Where an asset is acquired at no or nominal cost (for example in the case of donated or developer-created assets), its cost is deemed to be its fair value at the date of acquisition. In cases where it is impracticable to establish the cost of an item of PPE, such as on recognising PPE for which there are no records, or records cannot be linked to specific assets, its cost is deemed to be its fair value.

Measurement at recognition of investment property

Investment property will be measured at cost including transaction cost at initial recognition. However, where an investment property was acquired through a non-exchange transaction (i.e. where the investment property was acquired for no or nominal value), its cost is its fair value at the date of acquisition.

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Measurement at recognition of intangible assets

Intangible assets will be measured at cost at initial recognition. Where assets are acquired for no or nominal consideration, the cost is deemed to equal the fair value of the asset on the date acquired.

Measurement at recognition of heritage assets

Heritage assets will be measured at cost at initial recognition. Where assets are acquired for no or nominal consideration, the cost is deemed to equal the fair value of the asset on the date acquired.

If the municipality holds an asset that might be regarded as a heritage asset but which, on initial recognition, does not meet the recognition criteria of a heritage asset because it cannot be reliably measured, relevant and useful information about it shall be disclosed in the notes to the financial statements as follows:

- A description of the heritage asset or class of heritage assets.
- The reason why the heritage asset or class of heritage assets could not be measured reliably.
- On disposal of the heritage asset or class of heritage assets, the compensation received and the amount recognised in the statement of financial performance.

Measurement at recognition of biological assets

Biological assets shall be measured on initial recognition and at each reporting date at its fair value less costs to sell.

Fair value

Fair value is defined as the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Market based evidence by appraisal can be used where there is an active and liquid market for assets (for example land and some types of plant and equipment). In the case of specialised buildings (such as community buildings) and infrastructure where there is no such active and liquid market, a depreciated replacement cost (DRC) approach may be used to identify the fair value. The appraisal of the fair value of assets is normally undertaken by a member of the valuation profession, who holds a recognised and relevant professional qualifications and appropriate knowledge and experience in valuation of the respective assets.

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Depreciated replacement cost

If no evidence is available to determine the market value in an active and liquid market of an item of property, the fair value of the item may be established by reference to other items with similar characteristics, in similar circumstances and location. In many cases, the depreciated replacement cost of an asset can be established by reference to the buying price of a similar asset with similar remaining service potential in an active and liquid market. In some cases, an asset's reproduction cost will be the best indicator of its replacement cost. For example, in the event of loss, a parliament building may be reproduced rather than replaced with alternative accommodation because of its significance to the community.

Costs associated with heritage assets

Costs incurred to enhance or restore a heritage asset to preserve its indefinite useful life should be capitalised as part of the cost of the asset. Such costs should be recognised in the carrying amount of the heritage asset as incurred.

Changes in the existing decommissioning or restoration cost included in the cost of an item

Changes in the measurement of an existing decommissioning cost or restoration cost as a result of changes in the estimated timing or amount of the outflow of resources embodying economic benefits or service potential required to settle the obligation, should be treated as follows:

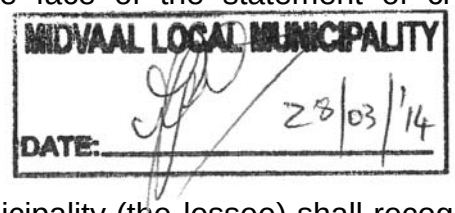
10.5.1 If the cost model is used -

- Changes in the liability shall be added to or deducted from the cost of the related asset.
- If the amount deducted from the cost of the asset exceeds the carrying amount of the asset, the excess shall be recognised immediately in surplus or deficit.
- If the adjustment results in an addition to the cost of an asset, the municipality should consider whether this is an indication that the carrying amount may not be recoverable. In this case the municipality should test the asset for impairment.

10.5.2 If the revaluation model is used -

- A decrease in the liability shall be credited to the revaluation surplus, except that it shall be recognised in the surplus or deficit to the extent that it reverses a revaluation deficit on the asset that was previously recognised in the surplus or deficit; and

- an increase in the liability shall be recognised in surplus or deficit, except that it shall be debited to the revaluation surplus to the extent that any credit balance may exist in the revaluation surplus in respect of asset.
- If the decrease in liability exceeds the carrying amount that would have been recognised if the asset has been carried under the cost model, the excess shall be recognised immediately in the surplus or deficit.
- If the change in liability is an indication that the asset may have to be revalued in order to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date. Any such revaluation shall be taken into account in determining the amounts to be taken to surplus or deficit and net assets as discussed above. If a revaluation is necessary, all assets of that class shall be revalued.
- The change in the revaluation surplus arising from the change in the liability shall be separately identified and disclosed on the face of the statement of changes in net assets.



Finance leases

At the commencement of a lease term, the municipality (the lessee) shall recognise a finance lease as an asset and liability in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. The discount rate to be used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease contract, if this is practicable to determine; if not, the lessee's incremental borrowing rate shall be used. Any initial direct cost of the lessee is added to the amount recognised as an asset.

Self-constructed immovable PPE

Self-constructed assets relate to all assets constructed by the municipality itself or another party on instructions from the municipality. All assets that are constructed by the municipality should be recorded in the asset register and each component that is part of this immovable PPE should be depreciated over its estimated useful life for that category of asset.

Proper records are kept such that all costs associated with the construction of these assets are completely and accurately accounted for as capital under construction, and upon completion of

the asset, all costs (both direct and indirect) associated with the construction of the asset are summed and capitalised as an asset.

Construction of future investment property

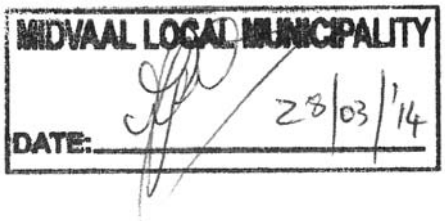
If property is developed for future use as an investment property, such property shall in every respect be accounted for as investment property.

Borrowing costs

Borrowing costs are interest and other costs incurred by the municipality from borrowed funds. The items that are classified as borrowing costs include at interest on bank overdrafts and short-term and long-term borrowings, amortisation of premiums or discounts associated with such borrowings, amortisation of ancillary costs incurred in connection with the arrangement of borrowings; finance charges in respect of finance leases and foreign exchange differences arising from foreign currency borrowings when these are regarded as an adjustment to interest costs. Borrowing costs shall be capitalised if related to construction of a qualifying asset (one that necessarily takes a substantial period of time to get ready for its intended use or sale) and external funding is sourced to fund the project.

In the following cases it is inappropriate to capitalise borrowing costs:

- It is inappropriate to capitalise borrowing costs when, and only when, there is clear evidence that it is difficult to link the borrowing requirement of the municipality directly to the nature of the expenditure to be funded i.e. capital or current. In such case, the municipality shall expense those borrowing costs related to a qualifying asset directly to the statement of financial performance.
- In exceptional cases the municipality is allowed to expense borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. It may be difficult for the municipality to identify a direct relationship between an asset and borrowing costs incurred because the financing activity is controlled centrally and it will not always be possible to keep track of the specific borrowing costs which should be allocated to the qualifying asset. As a result the reasonable effort and cost may outweigh the benefit of presenting the information, making it inappropriate to capitalise the cost.



Non-current assets held for sale

Immovable assets classified as non-current assets held for sale shall be measured at the lower of its carrying value and its fair value less cost to sell immediately before meeting the criteria for such classification.

In the event that a non-current asset held for sale ceases to meet the criteria for such classification, it is recognised in the asset register and measured at the lower of:

- its carrying amount before the asset was classified as held for sale, adjusted for any depreciation, amortisation or revaluations that would have been recognised had the asset not been classified as held for sale, or
- its recoverable amount or recoverable service amount at date of the subsequent decision not to sell.

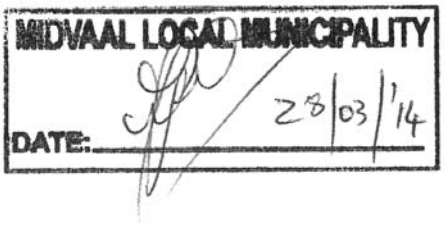
The municipality shall include any required adjustment to the carrying amount of an immovable asset that ceases to be classified as held for sale in revenue of the continuing operations in the period in which the criteria to be held for sale are no longer met. The municipality shall present that adjustment in the same caption in the Statement of Financial Performance used to present a gain or loss.

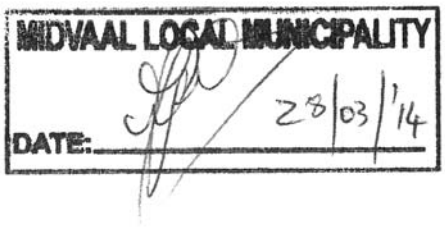
Deferred payment

The cost of an asset is the cash equivalent at the recognition date. If the payment of the cost price is deferred beyond normal credit terms, the difference between the cash price equivalent (the total cost price is discounted to the asset's present value as at the transaction date) and the total payment is recognised as an interest expense over the period of credit unless such interest is recognised in the carrying value of the asset in accordance with the Standard on Borrowing Costs, GRAP 5.

Exchanged PPE assets

In cases where assets are exchanged, the cost is deemed to be the fair value of the acquired asset and the disposed asset is de-recognised. If the acquired asset is not measured at its fair value, its cost price will be the carrying amount of the asset given up.





Cost of an item of PPE

The capitalisation value comprises of;

(i) the purchase price,

(ii) any directly attributable costs necessary to bring the asset to its location and condition necessary for it to be operating in the manner intended by the municipality, and

(iii) an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

VAT is excluded (unless the municipality is not allowed to claim input VAT paid on purchase of such assets - in such an instance, the municipality should capitalise the cost of the asset together with VAT).

Directly attributable costs

Directly attributable costs are defined as:

- Cost of employee benefits arising directly from the construction or acquisition of the item of immovable PPE and intangible assets.
- costs of site preparation (in the case of PPE assets);
- initial delivery and handling costs (in case of PPE infrastructure, PPE community assets and PPE heritage assets) ;
- installation and assembly costs, cost of testing whether the immovable PPE or associated intangible asset is functioning properly, after deducting the net proceeds from selling any item produced while bringing the asset to that location and condition;
- commissioning (cost of testing the asset to see if the asset is functioning properly, after deducting the net proceeds from selling any item produced while bringing the asset to its current condition and location)
- professional fees (for example associated with design fees, supervision, and environmental impact assessments) (in the case of all asset classes); and
- proper transfer taxes (in the case of all asset classes).

(b) Policy statement

PPE, intangible assets, heritage assets and investment property that qualify for recognition shall be capitalised **at cost.** Interest on deferred payments will be expensed. Biological assets that qualify for recognition shall be capitalised at **fair value less costs to sell**.

In cases where complete cost data is not available or cannot be reliably linked to specific assets:

- The fair value of PPE infrastructure, community property and building property shall be adopted on the basis of depreciated replacement cost;
- If the cost of heritage assets cannot be measured reliably, this shall be disclosed in the notes to the financial statements together with a description of the nature of the asset; and
- Investment property and intangible assets shall be measured at fair value on the date of acquisition. If no fair value can be allocated to the intangible asset, the asset will not be recognised as an asset.

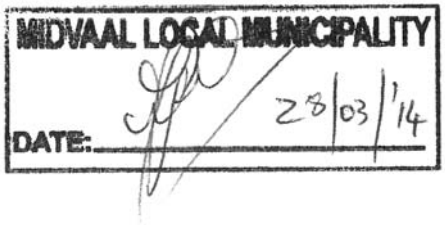
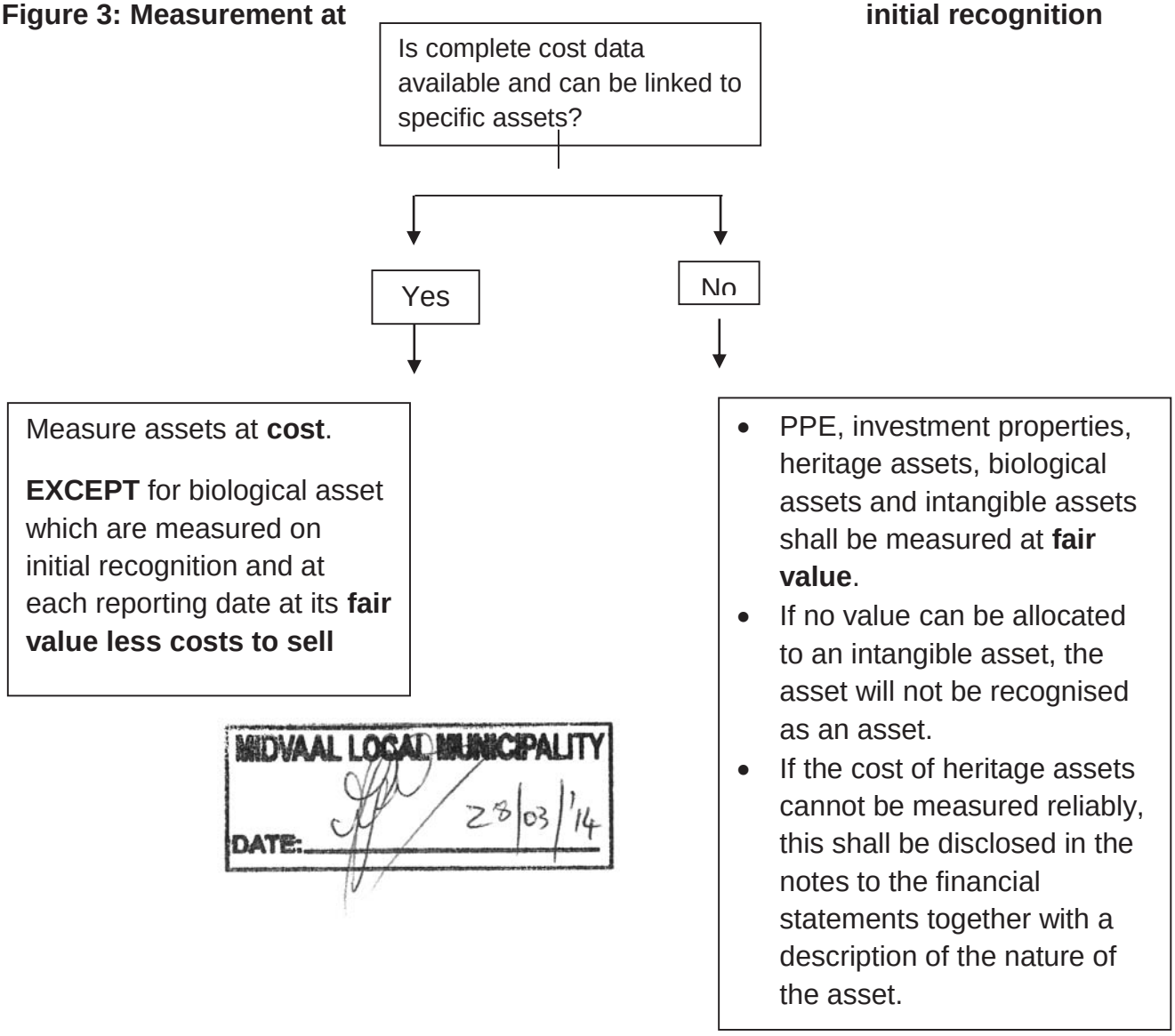


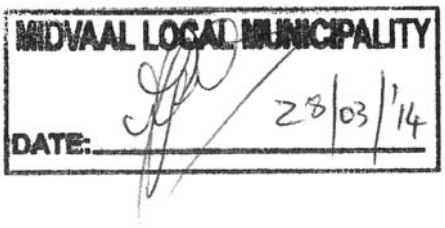
Figure 3: Measurement at initial recognition



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(c) Responsibilities

- The CFO, in consultation with the AO and HOD(SO)s, shall determine effective procedures for the capitalisation of assets on recognition.
- Every HOD(SO) shall ensure that all assets under their control are correctly capitalised.
- Every HOD(SO) shall advise the CFO of any deferred payments from the municipality, providing the relevant details of such.



10.6 MEASUREMENT AFTER RECOGNITION

(a) Definitions and rules

Options

Accounting standards allow measurement after recognition on immovable assets as follows:

- PPE, heritage assets and intangible assets: on either a cost or revaluation model;
- Biological assets: fair value less costs to sell; and
- Investment Property: either cost model or the fair value model.

Different models can be applied, providing the treatment is consistent per asset class.

Cost model

When the cost model is adopted, the asset is carried after recognition at its cost less any accumulated depreciation and any accumulated impairment losses.

Revaluation model

When the revaluation model is adopted an asset is carried after recognition at a re-valued amount, being its fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date. When revaluations are conducted, the entire class of assets should be re-valued. The appraisal of the fair value of assets is normally undertaken by a member of the valuation profession, who holds a recognised and relevant professional qualifications and appropriate knowledge and experience in valuation of the respective assets.

If the carrying amount of an asset is increased as a result of a revaluation, the increase shall be credited directly to a revaluation surplus. However, the increase shall be recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

If the carrying amount of an asset is decreased as a result of a revaluation, the decrease shall be recognised in surplus or deficit. However, the decrease shall be debited directly in net

assets to the extent of any credit balance existing in the revaluation surplus in respect of that asset. The decrease recognised directly in net assets reduces the amount accumulated in net assets under the heading revaluation surplus.

When an asset is revalued, any accumulated depreciation at the date of the revaluation is treated in one of the following ways:

- Restated proportionately with the change in the gross carrying amount of the asset after revaluation equals its revalued amount. This method is often used when an asset is revalued by means of applying an index to its DRC.
- Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

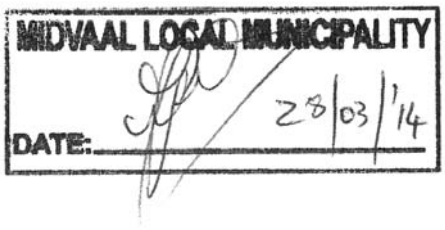
The revaluation surplus is transferred to the Accumulated Surpluses/ (Deficits) Account on de-recognition of an asset. An amount equal to the difference between the new (enhanced) depreciation expense and the depreciation expenses determined in respect of such asset before the revaluation in question *may* be transferred from the Revaluation Reserve to the municipality's Accumulated Surplus/Deficit Account. *If this option is selected, an adjustment of the aggregate transfer is made at the end of each financial year.*

Investment property

When the fair value model is adopted, all investment property should be measured at its fair value except when the fair value cannot be determined reliably on a continuing basis. The fair value of the investment property shall reflect market conditions at the reporting date. It shall be valued on an annual basis. All fair value adjustments shall be included in the surplus or deficit for the financial year. If a municipality selects the cost model to measure all of its investment property, it does so in accordance with the Standard of GRAP on Property, Plant and Equipment, i.e., at cost less any accumulated depreciation and any accumulated impairment losses.

Statutory inspections

The cost of a statutory inspection that is required for the municipality to continue to operate immovable PPE is recognised at the time the cost is incurred, and any previous statutory inspection cost is de-recognised.



Expenses to be capitalised

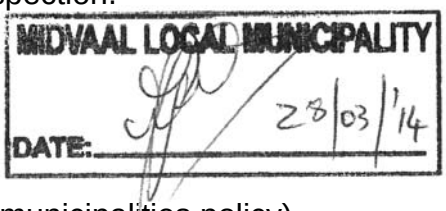
Expenses incurred in the enhancement of PPE (in the form of improved or increased services or benefits flowing from the use of such asset), or in the material extension of the useful operating life of assets are capitalised. Such expenses are recognised once the municipality has beneficial use of the asset (be it new, upgraded, and/or renewed) – prior to this, the expenses are recorded as work-in-progress. Expenses incurred in the maintenance or repair (reinstatement) of PPE that ensures that the useful operating life of the asset is attained, are considered as operating expenses and are not capitalised, irrespective of the quantum of the expenses concerned.

Spares

The location of capital spares shall be amended once they are placed in service, and re-classified to the applicable PPE asset sub-category. Depreciation on the capital spares will commence once the items are placed in service as this is when they are in the location and condition necessary for them to be capable of operating in the manner intended by management.

Major inspection

Major inspections will be recognised at the value of the major inspection.



(b) Policy statement

Measurement after recognition shall be on the following basis:

- PPE: *cost model or revaluation model* (selected based on municipalities policy)
- Heritage: *cost model or revaluation model* (selected based on municipalities policy)
- Investment property: *cost model or fair value model* (selected based on municipalities policy)
- Intangible assets: *cost model or revaluation model* (selected based on municipalities policy)
- Biological assets: fair value less cost to sell

An increase in asset value as a result of revaluation shall be reflected in a Revaluation Reserve, while fair value adjustments will be recognised in surplus / deficit.

The restatement method will be applied to proportionately restate the accumulated depreciation to be in line with the gross replacement cost or CRC of the revalued asset or the

elimination method will be applied and the accumulated depreciation will be eliminated against the gross carrying amount of the asset (therefore accumulated depreciation becomes zero) and the net amount restated to the revalued amount of the asset or DRC of the revalued asset.

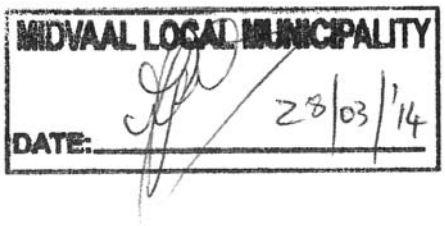
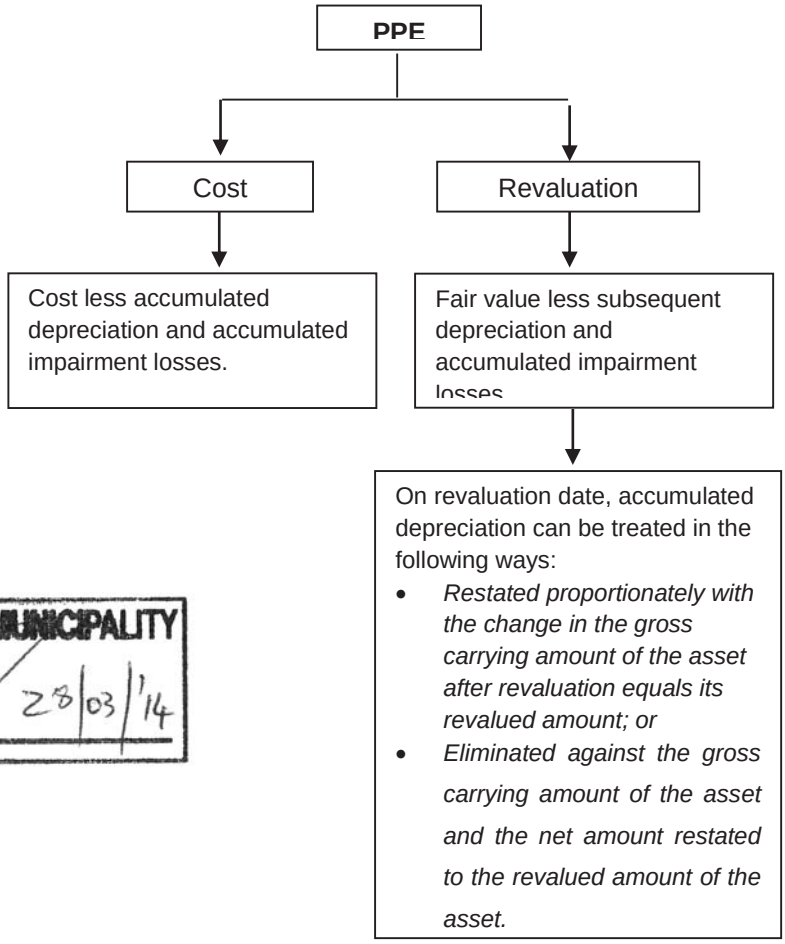


Figure 4: Measurement after recognition



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Figure 5: Measurement after recognition

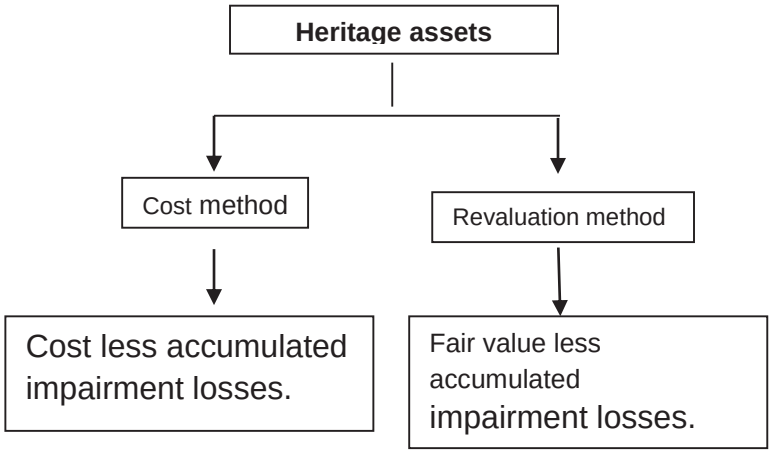


Figure 6: Measurement after recognition

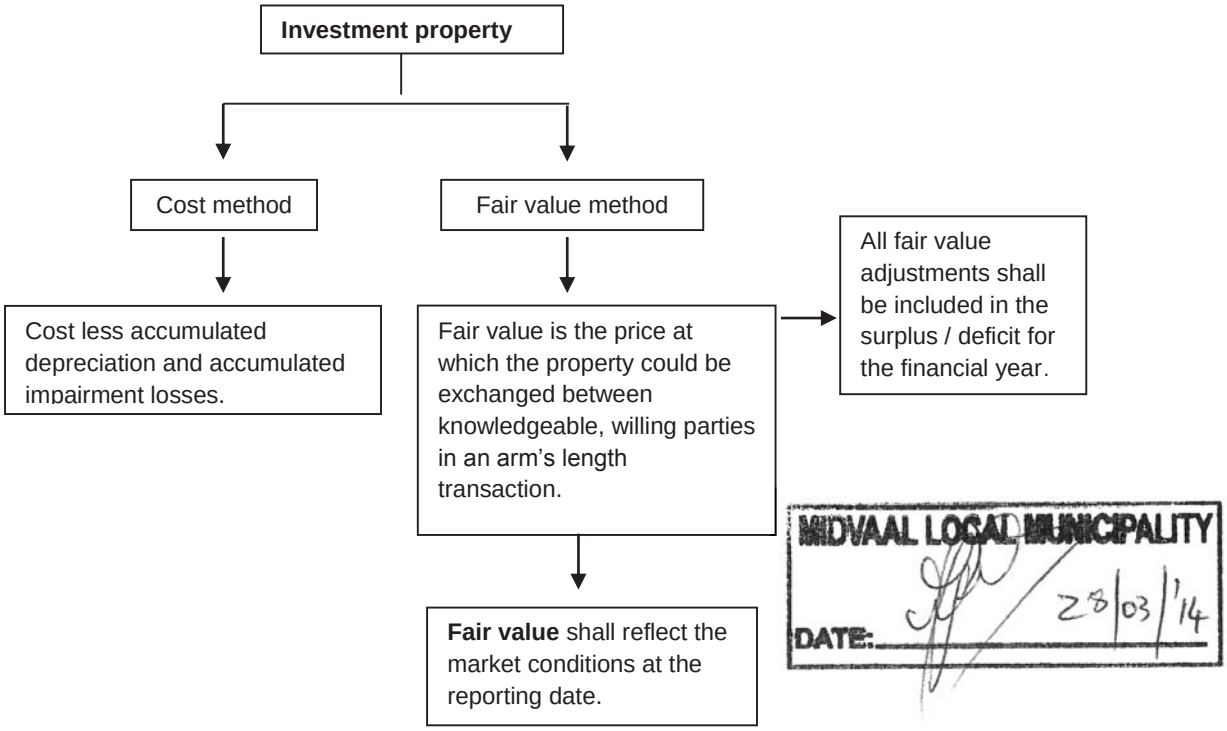


Figure 7: Measurement after recognition

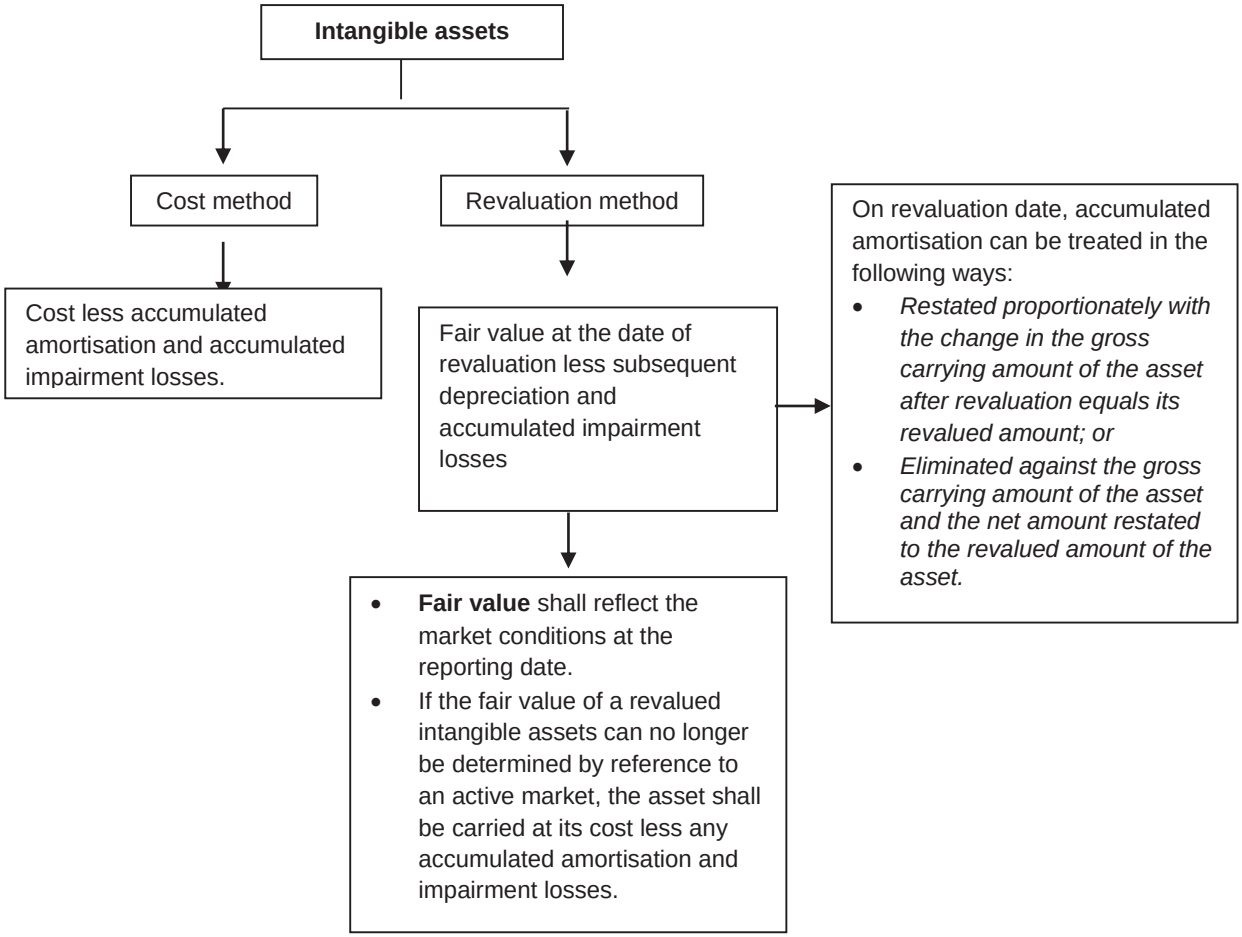
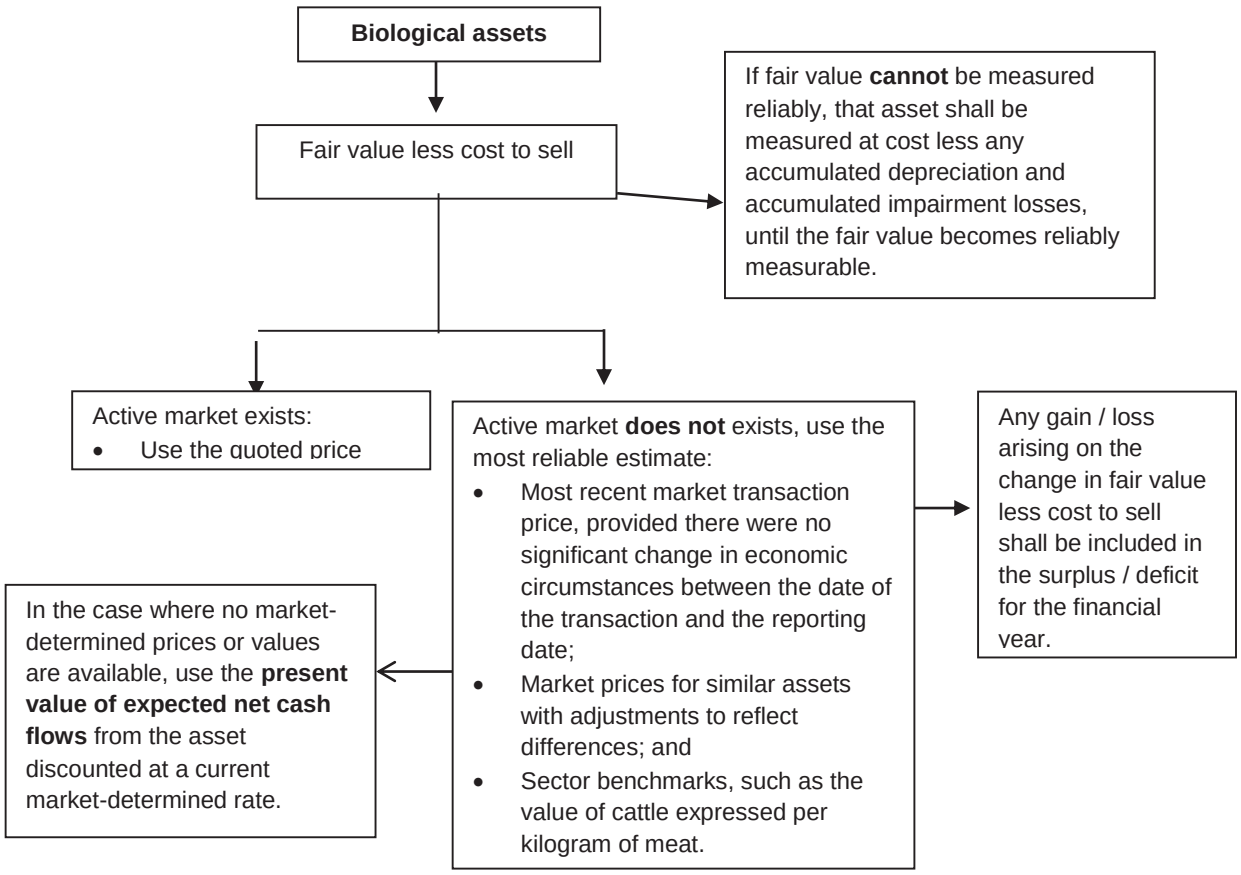


Figure 8: Measurement after recognition



(c) Responsibilities

- The CFO, in consultation with the AO and HOD(SO)s, shall determine effective procedures for the on-going capitalisation of assets after recognition.
- Every HOD(SO) shall ensure that all capital expenses associated with assets under their control are correctly capitalised.
- Every HOD(SO) shall ensure that revaluations and fair value adjustments are conducted where applicable to immovable infrastructure under their control.

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10.7 DEPRECIATION

(a) Definition and rules

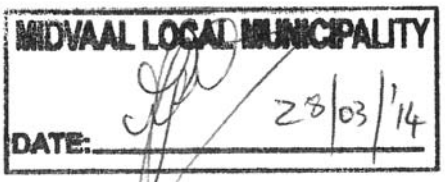
Depreciation

Depreciation is the systematic allocation of the depreciable amount of an asset over its remaining useful life. The amortisation of intangible assets is identical.

Land and servitudes are considered to have unlimited life; therefore they are not depreciated. Heritage assets and investment property are also not depreciated.

Depreciable amount

The depreciable amount is the cost of an asset, or other amount substituted for cost, less its residual value.



Residual value

The residual value is the estimated amount that the municipality would currently obtain from disposal of the asset after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

The residual values of assets are indicated in **Annexure C** and **D** in the form of a percentage. In the case of assets measured after recognition on the cost model, the percentage is of the initial cost of acquisition. In the case of assets measured after recognition on the revaluation model, the percentage is of the revalued cost.

Intangible assets with an indefinite useful life

An intangible asset with an indefinite useful life will not be amortised. Impairment testing shall be performed on these assets on an annual basis and whenever there is an indication that the assets might be impaired, comparing its recoverable amount with its carrying amount.

Remaining useful life

The remaining useful life (RUL) of a depreciable PPE asset is the time remaining until an asset ceases to provide the required standard of performance or economic usefulness.

The remaining useful life of all depreciable immovable PPE assets at initial recognition is the same as the expected useful life indicated in **Annexure C** above. The remaining useful life of all depreciable movable PPE assets that are new, or are considered to have been renewed, at initial recognition is the same as the expected useful life indicated in **Annexure D**.

Annual review of remaining useful life

The remaining useful lives of depreciable PPE are reviewed every year at the reporting date. Changes may be required as a result of new, updated or more reliable information being available. Changes may also be required as a result of impairments (as contemplated in

Section 10.8 of this policy). Depreciation charges in the current and future reporting periods are adjusted accordingly, and are accounted for as a change in an accounting estimate.

Depreciation method

Depreciation of PPE is applied at the component level. A range of depreciation methods exist and can be selected to model the consumption of service potential or economic benefit (for example the straight line method, diminishing amount method, fixed percentage on reducing balance method, sum of the year digits method, production unit method). The approach used should reflect the consumption of future economic benefits or service potential, and should be reviewed annually where there has been a change in the pattern of consumption.

Depreciation charge

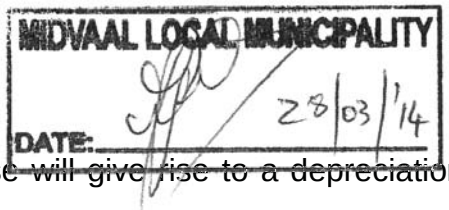
Depreciation starts once an asset is available for use, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of an assets ceases at the earlier of the date that the asset is classified as held for sale (in accordance with the standard of GRAP on Non-current Assets Held for Sale and Discontinued Operations) and the date the asset is de-recognised.

Carrying amount

The carrying amount is the cost price / fair value amount after deducting any accumulated depreciation and accumulated impairment losses.

Capital spares

Depreciation on capital spares will commence once the items are placed in service as this is when they are in the location and condition necessary for them to be capable of operating in the manner intended by management.



Finance lease

Depreciable assets financed through a finance lease will give rise to a depreciation expense and finance cost which will occur for each accounting period. The depreciation policy for depreciable leased assets shall be consistent with the policy of depreciable owned assets, and the depreciation recognised shall be calculated in accordance with the Standard on Property, Plant and Equipment, GRAP 17. If there is no reasonable certainty that the municipality will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the

shorter of the lease term and its useful life. If there is certainty that the municipality will obtain ownership by the end of the lease term, the asset will be fully depreciated over the asset's useful life.

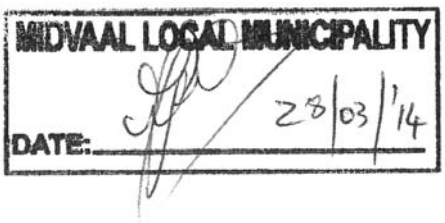
(b) Policy statement

All PPE, except land, servitudes and heritage assets, shall be depreciated over their remaining useful lives. All intangible assets, other than intangibles with an indefinite useful life, shall be amortised over their remaining useful lives.

The method of depreciation / amortisation shall be reviewed on an annual basis, though the *straight line method / diminishing amount method / fixed percentage on reducing balance method / sum of the year digits method / production unit method* shall be used in all cases unless Council determines otherwise. Investment Property on the fair value method will also not be depreciated. The existence, remaining useful lives and residual values shall also be reviewed at each reporting date.

(c) Responsibilities

- The HOD(SO)s shall ensure that a budgetary provision is made for the depreciation of the immovable PPE in the ensuing financial year, in consultation with the CFO.
- The CFO shall indicate a fixed annual date for the review of the remaining useful life of immovable PPE under the control of the respective HOD(SO)s.
- Every HOD(SO) shall annually review the remaining useful life as well as the expected useful life and residual values stated in **Annexures C and D** and the depreciation method of PPE that are under their control and motivate to the AO and CFO any adjustments if these are required, in the judgement of the HOD(SO).
- Changes should not be made on a continuous basis because the accounting principle of consistency would be violated.
- The CFO shall report changes made to the remaining useful life of immovable PPE in the asset register to the AO and Council.
- The CFO shall ensure that depreciation charges are debited on a monthly basis and that the fixed asset register is reconciled with the general ledger.



10.8 IMPAIRMENT

(a) Definition and rules

Impairment

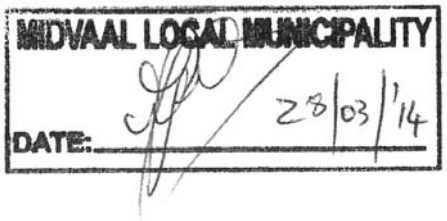
Impairment is defined as the loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation.

Indications of impairment

The municipality must review assets for impairment when one of the indicators below occurs or at least at the end of each reporting period. In assessing whether there is any indication that an asset may be impaired, an entity shall consider as a minimum the following indicators:

10.8.1 External sources of information:

- decline or cessation in demand;
- significant long-term changes in the technological, legal or government policy environment;
- the carrying amount of the net assets of the entity is more than its market capitalisation;
- market interest rates have increased during the period, and those increases are likely to affect the discount rate used in calculating an asset's value in use and decrease the asset's recoverable amount materially; or
- a halt in construction could indicate an impairment. Where construction is delayed or postponed to a specific date in the future, the project may be treated as work in progress and not considered as halted.

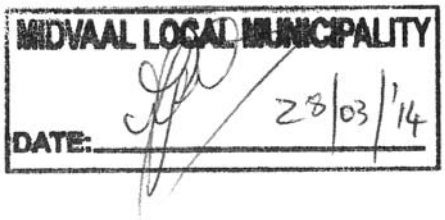


10.8.2 Internal sources of information:

- evidence of physical damage;
- evidence of obsolescence;
- significant changes with an adverse effect on the entity have taken place during the period, or are expected to take place in the near future, in the extent to which, or a manner in which, an asset is used or is expected to be used, including an asset becoming idle, plans to dispose of an asset before the previously expected date, and reassessing the useful life of an asset as finite rather than indefinite;

- cash flow for acquiring an asset or maintenance cost thereafter is higher than originally budgeted;
- the actual net cash flow or operating profit or loss flowing from an asset are significantly worse than those budgeted;
- a significant decline in budgeted net cash flow or operating profit, or a significant increase in the budget loss, flowing from the asset; or
- operating losses or net cash outflows for the asset, when current period amounts are aggregated with budgeted amounts for the future.

10.8.3 Other indications, such as loss of market value.



Impairment of projects under construction

In assessing whether a halt in construction would trigger an impairment test, it should be considered whether construction has simply been delayed or postponed, whether the intention to resume construction in the near future or whether the construction work will not be completed in the foreseeable future. Where construction is delayed or postponed to a specific future date, the project may be treated as work in progress and is not considered as halted.

Intangible assets

The municipality must test all intangible assets associated with immovable PPE not yet available for use or which have an indefinite useful life for impairment. This impairment test may be performed at any time during the reporting period provided it is performed at the same time every year.

Investment property on the fair value model

Investment property that is measured at fair value is specifically excluded from the scope of GRAP 21 and GRAP 26 (impairment standards). Any impairment would be reflected in the annual review of fair value.

Recoverable amount

The events and circumstances in each instance must be recorded. Where there are indications of impairment, the municipality must estimate the recoverable service amount of the asset and also consider adjustment of the remaining useful life, residual value, and method of depreciation.

Impairment loss

An impairment loss of a non-cash-generating unit or asset is defined as the amount by which the carrying amount of an asset exceeds its recoverable service amount. The recoverable service amount is the higher of the fair value less costs to sell and its value in use.

An impairment loss of a cash-generating unit (smallest group of assets that generate cash inflows) or asset is the amount by which the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of the fair value less costs to sell and its value in use.

Non-cash generating unit

Non-cash-generating units are those assets (or group of assets) that are not held with the primary objective of generating a commercial return. This would typically apply to assets providing goods or services for community or social benefit. The recoverable service amount is the higher of the asset's fair value less cost to sell and its value in use. It may be possible to determine the fair value even if the asset is not traded in an active market. If there is no binding sales agreement or active market for an asset, the fair value less cost to sell is based on the best information available to reflect the amount that an entity could obtain. However, sometimes it will not be possible to determine the fair value less cost to sell because there is no basis for making reliable estimates of the amount obtainable. For non-cash generating assets which are held on an on-going basis to provide specialised services or public goods to the community, the value in use of the assets is likely to be greater than the fair value less cost to sell. In such cases the municipality may use the asset's value in use as its recoverable service amount. The value in use of a non-cash generating unit/asset is defined as the present value of the asset's remaining service potential.

This can be determined using any of the following approaches:

- the Depreciated Replacement Cost (DRC) approach (and where the asset has enduring and material over-capacity, for example in cases where there has been a decline in demand, the Optimised Depreciated Replacement Cost (ODRC) approach may be used);
- the restoration cost approach (the Depreciated Replacement Cost less cost of restoration) – usually used in cases where there has been physical damage; or

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- the service units approach (which could be used for example where a production units model of depreciation is used).

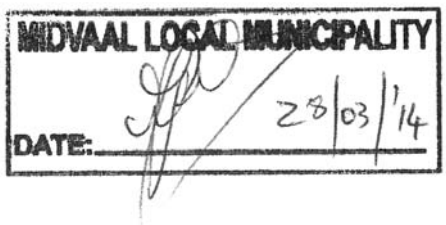
Where the present value of an asset's remaining service potential (determined as indicated above) exceeds the carrying value, the asset is not impaired.

Cash-generating unit

Cash-generating units are those assets held with the primary objective of generating a commercial return. An asset generates a commercial return when it is deployed in a manner consistent with that adopted by a profit-oriented entity. Holding an asset to generate a "commercial return" indicates that an entity intends to generate positive cash inflows from the asset (or from part of the cash-generating unit of which the asset is a part) and earn a commercial return that reflects the risk involved in holding the asset. When the cost model is adopted, fair value is determined in accordance with the rules indicated for measurement after recognition. Costs to sell are the costs directly attributable to the disposal of the asset (for example agents fees, legal costs), excluding finance costs and income tax expenses. The value in use is determined by estimating the future cash inflows and outflows from the continuing use of the asset and net cash flows to be received or (paid) for the disposal of the assets at the end of its useful life, including factors to reflect risk in the respective cash-flows and the time value of money.

Judgement

The extent to which the asset is held with the objective of providing a commercial return needs to be considered to determine whether the asset is a cash generating or non-cash generating asset. An asset may be held with the primary objective of generating a commercial return even though it does not meet that objective during a particular reporting period. Conversely, an asset may be a non-cash-generating asset even though it may be breaking even or generating a commercial return during a particular reporting period. In some cases it may not be clear whether the primary objective of holding an asset is to generate a commercial return. In such cases it is necessary to evaluate the significance of the cash flows. It may be difficult to determine whether the extent to which the asset generates cash flows is so significant that the asset is a non-cash-generating- or a cash-generating asset. Judgement is needed in these circumstances.



Recognition of impairment

The impairment loss is recognised as an expense when incurred (unless the asset is carried at a re-valued amount, in which case the impairment is carried as a decrease in the Revaluation Reserve, to the extent that such reserve exists). After the recognition of an impairment loss, the depreciation charge for the asset is adjusted for future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

When no future economic benefit is likely to flow from an asset, it is de-recognised and the carrying amount of the asset at the time of de-recognition, less any economic benefit from the de-recognition of the asset, is debited to the Statement of Financial Performance as a "Loss on Disposal of Asset".

In the event of compensation received for damages to an item of PPE, the compensation is considered as the asset's ability to generate income and is disclosed under Sundry Revenue; and the asset is impaired/ de-recognised.

Reversing an impairment loss

The municipality must assess each year from the sources of information indicated above whether there is any indication that an impairment loss recognised in previous years may no longer exist or may have decreased. In such cases, the carrying amount is increased to its recoverable amount (providing that it does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior periods). Any reversal of an impairment loss is recognised as a credit in surplus or deficit.

(b) Policy statement

Impairment of assets shall be recognised as an expense in the Statement of Financial Performance when it occurs or at least at every reporting date. Ad-hoc impairment shall be identified as part of normal operational management as well as scheduled annual inspections of the assets.

The municipality considers the following asset classes to be cash generating:

- *note asset classes*

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All assets relating to these classes are held with the primary objective of generating a commercial return. Consequently the municipality adopts the impairment treatment for cash generating units in the impairments of its PPE and associated intangible assets that relate to these classes.

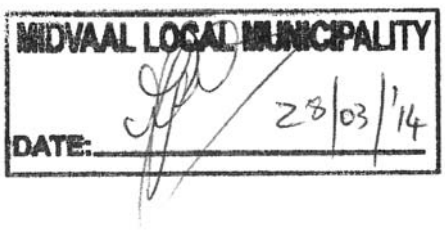
The municipality considers all other following classes:

- *note asset classes*

All these asset classes are considered to be assets whose primary objective is to provide goods and services for community or social benefit, and where positive cash flows are generated, these are with the view to support the primary objective rather than for financial return to equity holders. Consequently the municipality adopts the impairment treatment for non-cash generating units in the impairments of its PPE and associated intangible assets that relate to these asset classes.

(c) Responsibilities

- The CFO shall indicate a fixed annual date for the review of any impairment that may have occurred on assets under the control of the respective HOD(SO)s.
- The HOD(SO)s shall review any impairment on the PPE under their control at the annual review date, and from time to time as a result of any events that come to their attention that may have a material negative effect on the performance of these assets. The HOD(SO) shall motivate to the CFO proposed changes to the performance of such assets and the necessary impairments that needs to be recognised on such assets.
- The HOD(SO) should evaluate all the immovable PPE for impairment, taking into consideration any discussions with the senior accountants and operating managers.
- The Asset register administrator should update the fixed asset register with the information received, relating to the impairment, from the financial management system where the impairment journals have been processed.
- The CFO shall report changes made to the carrying values of these assets in the asset register to the AO and Council.



10.9 DE-RECOGNITION

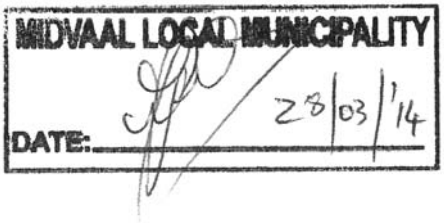
(a) Definition and rules

Exempt assets

Capital assets transferred to another municipality or to a municipal entity or to a national or provincial organ of state in circumstances and in respect of categories of assets approved by the National Treasury, provided that such transfers are in accordance with a prescribed framework in terms of the Municipal Asset Transfer Regulations.

Non-exempt assets

Assets other than exempt assets.



De-recognition

Assets are de-recognised on disposal or when no future economic benefits or service potential are expected from its use or disposal. Where assets exist that have reached the end of their useful life yet they pose potential liabilities, the assets will not be de-recognised until the obligations under the potential liabilities have been settled.

The gain or loss arising from de-recognition of an item of immovable assets shall be included in surplus of deficit when the item is de-recognised.

PPE that is associated with the provision of basic services cannot be disposed without the approval of Council.

Government Gazette no.31346, Municipal asset transfer regulations, sets out the regulations regarding municipal asset transfers and disposals, for example type of assets that need approval to be disposed or transferred, timeframes, possible public participation requirements, considerations in approving the transfer or disposal and Council approval.

Read in conjunction with the Municipal Finance Management Act (MFMA) it is clear that a municipality may not transfer ownership as a result of a sale or other transaction or otherwise permanently dispose of a capital asset needed to provide the minimum level of basic municipal services unless that transfer is to an organ of state, and the following conditions must be met:

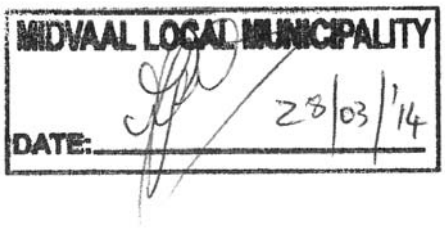
- Ownership in the capital asset (including replacements, upgrading and improvements made by the organ of state) must immediately revert to the municipality should the organ of state for any reason cease to or is unable to render the service;
- The organ of state may not without the written approval of the municipality:
- Transfer, dispose of or encumber the capital asset (including replacements, upgrading and improvements made by the organ of state) in any way;
- Grant a right to another person to use, control or manage the capital asset (including replacements, upgrading and improvements made by the organ of state);
- The transfer agreement must reflect the conditions above; and
- The organ of state must demonstrate the ability to adequately maintain and safeguard the asset.

If the combined value of any non-exempt capital assets a municipality intends to transfer or dispose of in any financial year exceeds 5% of the total value of its assets, as determined from its latest available audited AFS, a public participation process must be conducted to facilitate the determinations of the municipal council, in relation to all the non-exempt capital assets proposed to be transferred or disposed of during the year.

Council may delegate the following powers and responsibilities to the AO:

- The decision as to whether the non-exempt capital asset is needed to provide a basic service;
- The power to approve in-principle that the non-exempt capital asset may be transferred or disposed of; and
- The authority to approve in-principle of the granting of a right to use a capital asset. This delegation does not extend however, to cover long-term high-value transactions.

Disposal of assets should be at fair value. If payment for the item is deferred, the consideration received is recognised initially at the cash price equivalent (the total proceeds discounted to the present value as at the transaction date). The difference between the nominal amount of the consideration and the cash price equivalent is recognised as interest revenue.

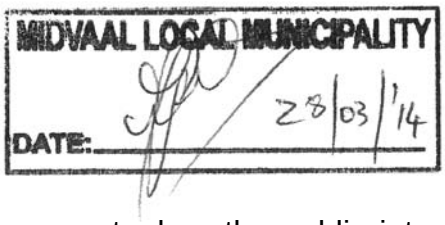


Disposal Management System

An effective system of disposal management for disposal or letting of assets, including unserviceable, redundant or obsolete assets, must be provided for in the Supply Chain Management Policy.

This must specify the ways in which assets may be disposed of, including by:

- transfer the asset to another organ of state in terms of a provision of the MFMA enabling the transfer of assets;
- transferring the assets to another organ of state at market related value or, when appropriate, free of charge;
- selling the asset; or
- destroying the asset.



PPE may be sold only at market related prices except when the public interest or the poor demands otherwise. When assets are traded in for other assets, the highest possible trade-in price must be negotiated.

Revaluation model

The revaluation surplus is transferred to the Accumulated Surpluses/ (Deficits) Account on de-recognition of an asset. An amount equal to the difference between the new (enhanced) depreciation expense and the depreciation expenses determined in respect of such immovable asset before the revaluation in question may be transferred from the Revaluation Reserve to the municipality's Accumulated Surplus/Deficit Account. An adjustment of the aggregate transfer is made at the end of each financial year.

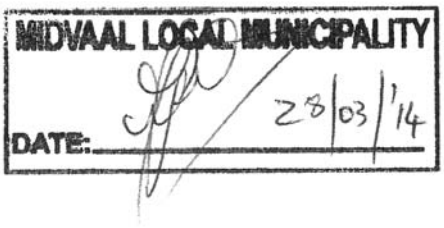
(b) Policy statement

Fixed assets for which no future economic benefits or service potential are expected shall be identified and methods of disposal and the associated costs or income considered by Council. The carrying amount of the asset shall be de-recognised when no future economic benefits or service potential are expected from its use or its disposal. Where assets exist that have reached the end of their useful life yet they pose potential liabilities, the assets will not be de-recognised until the obligations under the potential liabilities have been settled.

Where an asset being de-recognised was previously revalued, the revaluation surplus is transferred to the Accumulated Surpluses/ (Deficits) Account on de-recognition of an asset.

(c) Responsibilities

- Fixed assets shall be de-recognised only on the recommendation of the HOD(SO) controlling the asset, and with the approval of the AO.
- Every HOD(SO) shall report to the CFO on assets which such HOD(SO) wishes to have de-recognised, stating in full the reason for such recommendation, indicating whether or not the assets are associated with the provision of basic services. The CFO shall consolidate all such reports, and shall promptly make a submission to the Disposals Committee with a copy to the AO on the PPE to be de-recognised, the proposed method of disposal, and the estimated cost or income from such disposal. The Disposals Committee shall consider the submission and make recommendations to the Council for adoption.
- Assets that are replaced in the nominal course of the life-cycle renewal should be de-recognised and removed from the asset register.
- The AO, in consultation with the CFO and other HOD(SO)s shall formulate norms and standards from the replacement of all PPE.



10.10 INSURANCE OF ASSETS

(a) Definition and rules

Insurance provides selected coverage for the accidental loss of asset value.

Generally, government infrastructure is not insured against disasters because relief is provided from the Disaster Fund through National Treasury. The municipality can however elect to insure certain infrastructure risks, though approval must be obtained from the Council. The CFO must conduct a risk assessment of all assets and after considering the risks involved, report to Council, which assets must be insured. The risk assessment must be based on a loss probability analysis and if there is no capacity within the municipality to conduct the analysis, the CFO should be authorised to obtain external professional assistance.

The municipality may elect to operate a self-insurance reserve, in which case the CFO shall annually determine the premiums payable by the departments or votes after having received a

list of assets and insurable values of all relevant assets from the HOD(SO)s concerned. This will be reflected in the accumulated surplus and will be cash backed.

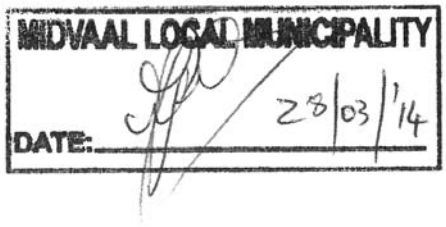
Assets must be insured internally or externally and coverage must be based on the loss probability analysis. All insurance claims must be assessed by an official, charged with the responsibility for the insurance of assets, to determine whether the damage to the assets can be recovered from possible third parties involved. If the damage was caused by an identifiable third party the CFO should compile a report advising the AO of the facts thereof and any possible further action.

(b) Policy statement

The municipality should adhere to the disaster management plan for prevention and mitigation of disaster in order to be able to attract the disaster management contribution during or after disaster. The Council shall decide on insurance cover for assets each financial year based on the recommendation from the AO after consultation with the CFO.

(c) Responsibilities

- The AO will consult with the CFO on the basis of insurance to be applied to each type of asset: either the carrying value or the replacement value of the immovable asset concerned. The approach shall take due cognisance of the budgetary resources of the municipality, and where applicable asset classes shall be prioritised in terms of their risk exposure and value.
- The AO shall advise Council on the insurance approach taken.
- In the event that the CFO is directed by Council to establish a self-insurance reserve, the CFO shall annually submit a report to the Council on any reinsurance cover which it is deemed necessary to procure for the municipality's self- insurance reserve.



11. POLICY FOR SAFEGUARDING

(a) Definitions and rules

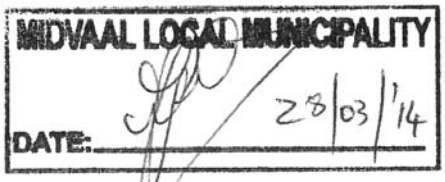
The municipality applies controls and safeguards to ensure that assets are protected against improper use, loss, theft, malicious damage or accidental damage.

The existence of assets is physically verified from time-to-time, and measures adopted to control their use, as follows:

- All above ground assets should be verified for existence and any changes in condition at least once a year. These inspections should be formally recorded and signed off and, where possible, shall be worked into the routine maintenance inspections. These inspections may be prioritised on a risk basis to give emphasis to assets approaching the end of their useful life and assets with a high value in relation to total assets (the threshold for high value will be determined by the CFO), whereas a sample basis may be adopted for long life or multiple assets of a similar nature;
- Performance data shall be reviewed for buried assets to identify possible changes in condition; and
- A detailed road condition survey shall be conducted every 5 years.

Every HOD(SO) shall at least once during every financial year undertake a comprehensive verification of all movable PPE controlled by or used by the department concerned. Every HOD(SO) shall promptly and fully report in writing to the CFO, in the format determined by the CFO, all relevant results of such verification.

This report in respect of the annual physical verification of movable assets shall:-



- Confirm the location of the asset;
- Confirm the physical description of the asset;
- Confirm the level of utilisation of the asset;
- Indicate the assessment of the condition of the asset (Condition Grade);
- Indicate the expected useful life of the asset (RUL); and
- The existence or absence of any physical impairment of the asset.

The municipality may allocate day-to-day duties relating to such control, verification and safekeeping to asset custodians, and record such in the asset register.

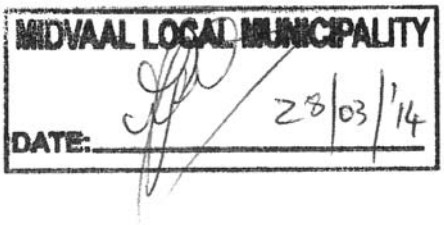
(b) Policy statement

An asset safeguarding plan shall be prepared for all assets indicating measures that are considered effective to ensure that all immovable assets under control of the municipality are appropriately safeguarded from inappropriate use or loss, including the identification of asset custodians for all assets. The impact of budgetary constraints on such measures shall be

reported to Council. The existence, condition and location of these assets shall be verified annually (in line with the assessment of impairment).

(c) Responsibilities

- Each HOD(SO) shall prepare and submit to the CFO, upon request, an annual asset safeguarding plan for the assets under the control of their respective departments, indicating the budget required.
- The CFO shall confirm the available budget, and in consultation with the respective HOD(SO), determine the impact of any budget shortfall. The CFO shall report the impacts to the AO for review, and advise Council.
- Each HOD(SO) shall implement the safeguarding plan within the resources made available.
- Each HOD(SO) shall report, within the time frame indicated by the CFO, the existence, condition, location and appropriate use of assets under the control of their respective departments at the review date.
- Every HOD(SO) shall at least once during every financial year undertake a comprehensive verification of all movable PPE controlled by or used by the department concerned.
- Every HOD(SO) shall promptly and fully report in writing to the CFO, in the format determined by the CFO, all relevant results of such movable asset verification.
- Every HOD(SO) shall at least once during every financial year undertake a comprehensive verification of
 all movable PPE controlled by or used by the department concerned.
- Every HOD(SO) shall promptly and fully report in writing to the CFO, in the format determined by the CFO, all relevant results of such movable asset verification.
- Malicious damage, theft, and break-ins must be reported to the AO or delegated person within 48 hours of its occurrence or awareness by the respective HOD(SO).
- The AO must report criminal activities to the South African Police Service.



12. POLICY FOR LIFE-CYCLE MANAGEMENT OF IMMOVABLE PPE ASSETS

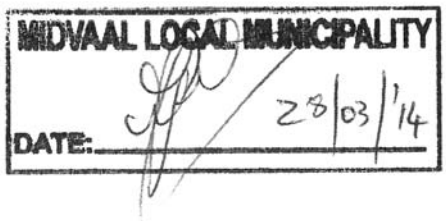
(a) Definitions and rules

Service delivery

Immovable PPE assets (such as infrastructure and community facilities) are the means by which the municipality delivers a range of essential municipal services. Consequently the management of such assets is critical to meeting the strategic objectives of the municipality and in measuring its performance.

Asset management

The goal of asset management of immovable PPE is to meet a required level of service, in the most cost-effective manner, through the management of assets for present and future customers.



The core principles are:

- taking a life-cycle approach;
- developing cost-effective management strategies for the long-term;
- providing a defined level of service and monitoring performance;
- understanding and meeting the impact of growth through demand management and infrastructure investment;
- managing risks associated with asset failures;
- sustainable use of physical resources; and
- continuous improvement in the immovable PPE asset management practices.

(b) Policy statement

The municipality shall provide municipal services for which the municipality is responsible, at an appropriate level, and in a transparent, accountable and sustainable manner, in pursuit of legislative requirements and in support of its strategic objectives, according to the following core principles:

Effective governance

The municipality shall strive to apply effective governance systems to provide for consistent asset management and maintenance planning in adherence to and compliance with all

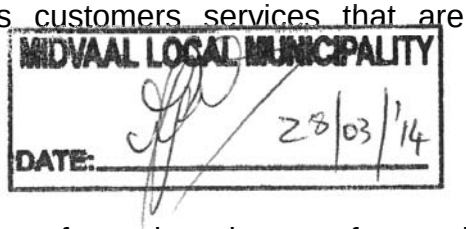
applicable legislation to ensure that asset management is conducted properly, and municipal services are provided as expected.

To this end, the municipality shall:

- continue to adhere to all constitutional, safety, health, systems, financial and asset-related legislation;
- regularly review updates and amendments to the above legislation;
- review and update its current policies and by-laws to ensure compliance with the requirements of prevailing legislation; and
- effectively apply legislation for the benefit of the community.

Sustainable service delivery

The municipality shall strive to provide to its customers services that are technically, environmentally and financially sustainable.



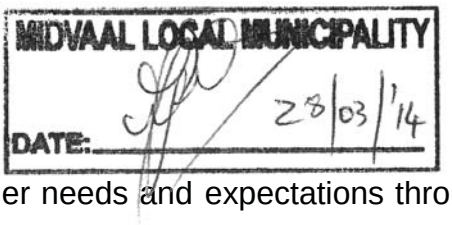
To this end, the municipality shall:

- identify a suite of levels and standards of service that conform with statutory requirements and rules for their application based on long-term affordability to the municipality;
- identify technical and functional performance criteria and measures, and establish a commensurate monitoring and evaluation system;
- identify current and future demand for services, and demand management strategies;
- set time-based targets for service delivery that reflect the need to newly construct, upgrade, renew, and dispose infrastructure assets, where applicable in line with national targets;
- apply a risk management process to identify service delivery risks at asset level and appropriate responses;
- prepare and adopt a maintenance strategy and plan to support the achievement of the required performance;
- allocate budgets based on long-term financial forecasts that take cognisance of the full life-cycle needs of existing and future infrastructure assets and the risks to achieving the adopted performance targets;
- strive for alignment of the financial statements with the actual service delivery potential of the infrastructure assets; and

- implement its tariff and credit control and debt collection policies to sustain and protect the affordability of services by the community.

Social and economic development

The municipality shall strive to promote social and economic development in its municipal area by means of delivering municipal services in a manner that meet the needs of the various customer user-groups in the community.



To this end, the municipality shall:

- regularly review its understanding of customer needs and expectations through effective consultation processes covering all service areas;
- implement changes to services in response to changing customer needs and expectations where appropriate;
- foster the appropriate use of services through the provision of clear and appropriate information;
- ensure services are managed to deliver the agreed levels and standards; and
- create job opportunities and promote skills development in support of the national Expanded Public Work Program (EPWP).

Custodianship

The municipality shall strive to be a responsible custodian and guardian of the community's assets for current and future generations.

To this end, the municipality shall:

- establish a spatial development framework that takes cognisance of the affordability to the municipality of various development scenarios;
- establish appropriate development control measures including community information;
- cultivate an attitude of responsible utilisation and maintenance of its assets, in partnership with the community;
- ensure that heritage resources are identified and protected; and
- ensure that a long-term view is taken into account in infrastructure asset management decisions.

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Transparency

The municipality shall strive to manage its infrastructure assets in a manner that is transparent to all its customers, both now and in the future.

To this end, the municipality shall:

- develop and maintain a culture of regular consultation with the community with regard to its management of infrastructure in support of service delivery;
- clearly communicate its service delivery plan and actual performance through its Service Delivery and Budget Implementation Plan (SDBIP);
- avail immovable PPE asset management information on a ward basis; and
- continuously develop the skills of councillors and officials to effectively communicate with the community with regard to service levels and standards.

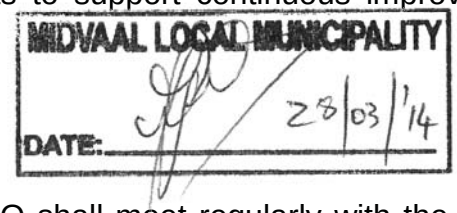
Cost-effectiveness and efficiency

The municipality shall strive to manage its infrastructure assets in an efficient and effective manner.

To this end, the municipality shall:

- assess life-cycle options for proposed new infrastructure in line with the Supply Chain Management Policy;
- regularly review the actual extent, nature, utilisation, criticality, performance and condition of infrastructure assets to optimise planning and implementation works;
- assess and implement the most appropriate maintenance of infrastructure assets to achieve the required network performance standards and to achieve the expected useful life of infrastructure assets;
- continue to secure and optimally utilise governmental grants in support of the provision of free basic services;
- implement new and upgrading construction projects to maximise the utilisation of budgeted funds;
- ensure the proper utilisation and maintenance of existing assets subject to availability of resources;
- establish and implement demand management plans;
- timeously renew infrastructure assets based on capacity, performance, risk exposure, and cost;

- timeously dispose of infrastructure assets that are no longer in use;
- review management and delivery capacity, and procure external support as necessary;
- establish documented processes, systems and data to support effective life-cycle infrastructure asset management;
- strive to establish a staff contingent with the required skills and capacity, and procure external support as necessary; and
- conduct regular and independent assessments to support continuous improvement of infrastructure asset management practice.



(c) Responsibilities

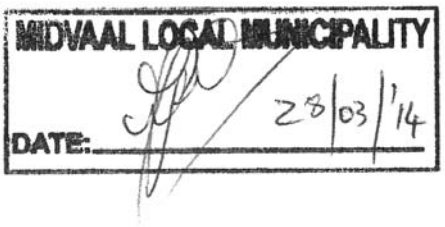
- Upon adoption of this policy by Council, the AO shall meet regularly with the CFO and HOD(SO)s and to take measures to effectively implement this policy, and to report to Council on progress made at a frequency indicated by Council.
- HOD(SO)s shall develop, and update at regular intervals to be determined by the AO in consultation with the CFO and HOD(SO)s, an Asset Management Plan (AMP) for each service involving immovable PPE that shall assess levels and standards of service, future demand, risk, determine a lifecycle plan for a minimum 10 year planning horizon, and identify management practice improvement needs (3 year horizon). The AMPs will be submitted through the AO to Council for adoption. AMPs shall be used to inform the preparation of a CMIP and budgets through the IDP process. The time frame for the first time implementation of this will be determined by the AO in consultation with the CFO and HOD(SO)s.
- The CFO shall, in consultation with HOD(SO)s, determine grading scales for the measurement of asset condition, performance, cost-of–operation, and utilisation for that are common and applicable to all services. Where necessary, the HOD(SO)s shall interpret the grading scales for the immovable PPE assets under their control. HOD(SO)s shall determine the grading of all immovable PPE assets under their control at a level of accuracy considered appropriate to the municipality's resources, at intervals to be determined by the AO in consultation with the CFO and HOD(SO)s.
- HOD(SO)s shall prepare, and review at regular intervals to be determined by the AO in consultation with the CFO and HOD(SO)s, an Operations and Maintenance Strategy and Plan, and submit such, through the AO, to Council for adoption. The municipality shall engage contractors when necessary to support in the implementation of maintenance actions and adopt a system that assists in managing such maintenance. The time frame

for the first time implementation of this will be determined by the AO in consultation with the CFO and HOD(SO)s.

- HOD(SO)s shall determine detailed service performance measures (differentiated, where applicable for identified customer groups), and submit such, through the AO, to Council for adoption and inclusion in the Services Delivery and Budget Implementation Plan. HOD(SO)s shall establish a monitoring regime, and report actual performance each financial year. The time frame for the first time implementation of this will be determined by the AO in consultation with the CFO and HOD(SO)s.
- The AO shall establish procedures to ensure that legislative requirements regarding the management of immovable PPE assets, including but not limited to health and safety, and environmental protection, are documented and advised to HOD(SO)s. HOD(SO)s shall address legislative needs in their strategies and plans, and shall enforce implementation.
- Review the municipality's Risk Management framework to ensure that it is effective for the management of physical risks to infrastructure and buildings. Important actions shall be identified and implemented. The HOD(SO)s shall report risk exposure relating to their respective assets each financial year.

13. POLICY IMPLEMENTATION

The CFO and HOD(SO)s will be responsible to implement this policy.



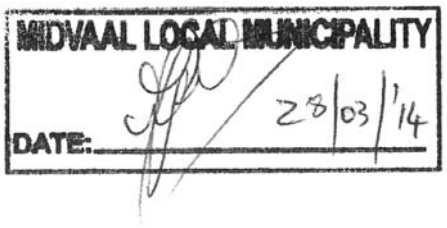
ANNEXURE A: IMMOVABLE ASSET HIERARCHY

(Annexures A – D to be finalised)

The following asset categories, sub-categories and groups shall be used at the highest level of the classification structure for immovable assets:

Table 1 - Asset categories, sub-categories and groups

CATEGORY	SUB-CATEGORY	GROUP
Insert municipalities hierarchy		

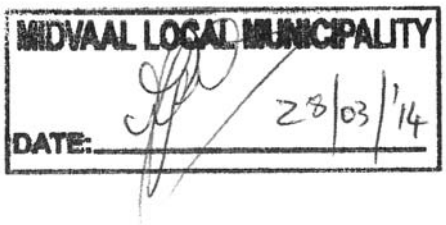


ANNEXURE B: MOVABLE ASSET HIERARCHY

The following asset categories, sub-categories and groups shall be used at the highest level of the classification structure for movable assets:

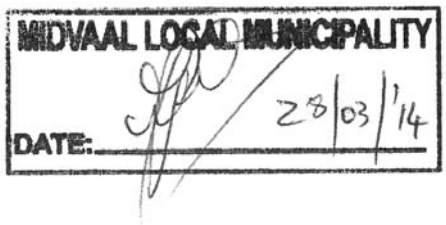
Table 2 - Asset categories, sub-categories and groups

CATEGORY	SUB-CATEGORY	GROUP
Insert municipalities hierarchy		



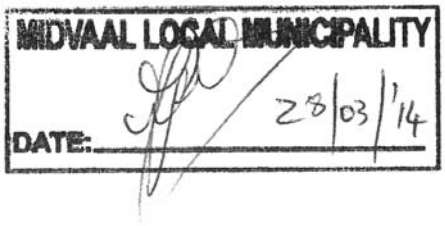
ANNEXURE C: EXPECTED USEFUL LIVES AND RESIDUAL VALUES OF IMMOVABLE ASSETS

ASSET TYPE	COMPONENT TYPE	EUL	Residual (%)
Insert municipalities component list indicating EUL and RV			



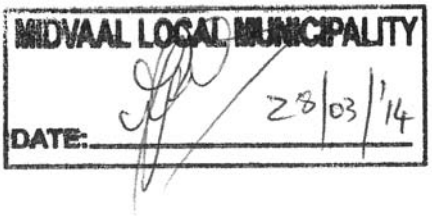
ANNEXURE D: EXPECTED USEFUL LIVES AND RESIDUAL VALUES OF MOVABLE ASSETS

Components	Description	EUL years	RV %
Insert municipalities component list indicating EUL and RV			



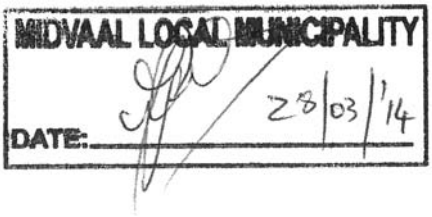
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POLICY ON THE
PLANNING AND APPROVAL OF CAPITAL PROJECTS



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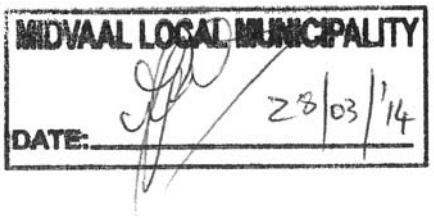


POLICY ON THE PLANNING AND APPROVAL OF CAPITAL PROJECTS.

1. Scope and Application

The Policy on the Planning and Approval of Capital Projects is applicable to the Midvaal Local Municipality. The policy will mostly be applied during allocation of funding at the time of approval of the Capital Budget for the forthcoming financial period.

This policy must be read in conjunction with the Supply Chain Management Policy.



2. Purpose and objectives

The purpose and objectives of this policy are to:

- Ensure the optimum allocation of resources to projects that can be implemented within the timeframes budgeted for; and

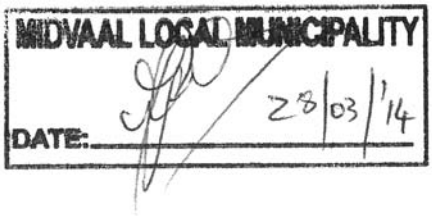
- Ensure the capital projects are only budgeted for if feasibility for said project has been proven.

3. Background

The MTREF period applicable to municipalities are 3 years, therefore the capital budget is also spread over a period of 3 years. This provides departments the opportunity to plan their capital spending activities in advance, allowing for a more strategic approach.

The typical cycle for a capital project consists of at least the following phases:

- Feasibility study;
- Basic planning;
- Environmental Impact Assessment;
- Detail Planning and design; and
- Implementation.



4. Policy Statement

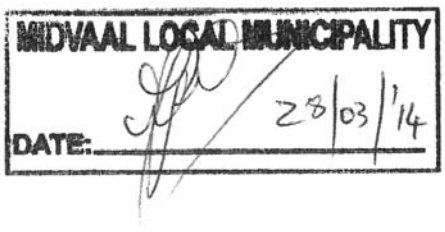
That all capital projects be evaluated in terms of a project plan (time frame) as well as a cash flow linked to the project plan, to determine the practicality to implement the project within the proposed budget and time frame (multi year projects).

That all proposed budgets for projects be approved only if the evaluation is positive.

The policy will be effective as from 1 July 2014.

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INDIGENT POLICY



REVISED INDIGENT SUPPORT POLICY

PREAMBLE

In recent municipal discourse in South Africa the term “indigent policy” has tended to refer to a policy on how chronically poor households should be dealt with in relation to the generation of municipal income.

Most commonly, these policies adopt a narrow approach to this, seeking to define indigence in terms of particular household income level, administratively identifying household falling below this level, and provide them with a grant to facilitate their payment of the municipal accounts.

Our approach as Midvaal is that the term indigent policy should refer to something broader. We prefer to define it rather as the whole set of interventions that ensure that the basic needs of the poor are met, and their rights upheld while protecting resources for use by the next generation.

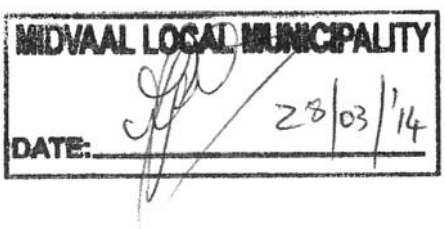
OBJECTIVE

The policy seeks to address but not limited to:

1. The urgent need to address the high levels of chronic poverty in Midvaal.
2. The requirement of developmental local government that municipalities work together with local communities to find ways to meet the needs of the poor and to improve their lives.
3. The Constitutional obligations to provide basic services to the poor.

 The Indigent Support Policy will seek to provide support to the registered indigents by:

 - Free basic municipal services
 - Indigents burials
 - Employment opportunities



BACKGROUND

An indigent policy is required to ensure that constitutional obligations relating to the socio-economic rights of all South Africans are realised.

Failure to address the needs of the poor may jeopardise growth while poverty relief may stimulate growth and competitiveness by creating a more stable environment.

An indigent policy provides an opportunity to create a safety net to the poorest section of the population.

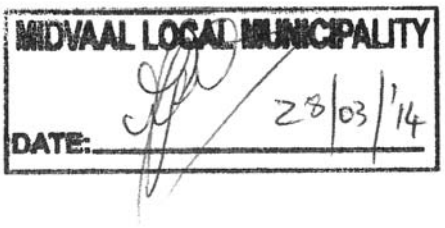
Poverty Manifestation in Midvaal

Poverty is more than a lack of income. Poverty exists when an individual's or a household's, access to income, jobs, infrastructure or services is inadequate to ensure full access to opportunities in society. The condition of poverty is caused by a combination of social, economical, spatial, environmental and political factors.

It is clear from the poverty profiles that not only is poverty a general critical problem in Midvaal, but that there is a significant number of people who are living in extreme poverty and who without Council support will be unable to afford to pay for even the most basic of services.

Legal and Constitutional Imperatives

- The Constitution of South Africa sets out the obligation of government
- Local Government: Municipal Structures Act No. 117 of 1998
- Municipal Structures Amendment Act No. 33 of 2000
- Municipal Systems Act No. 32 of 2000
- Local Government Property Rates Act
- Municipal Finance Management Act No. 56 of 2003
- Water Services Act No. 108 of 1997
- Division of Revenue Act
- Local Government: Municipal Demarcation Act No 27 of 1998.



1. DEFINITION OF INDIGENT

Indigents are defined as those people, due to a number of factors, who are unable to make monetary contribution towards basic services, no matter how small the amounts seem to be.

Any household, earning less than the R3 500.00 qualify to be registered as indigents. Examples are pensioners, unemployed, child headed families and students. Midvaal Municipality will align the income level of indigent households with the predetermined income category as determined by the department of Human Settlement for ownership of RDP properties. The said amount currently is an equivalent of R3 500.00 per household.

A household is defined as all adults and children living on a single property.

An indigent policy will thus refer to fairly limited set of administrative procedures within the income function for distributing grant support to reduce the municipal account to particular households.

As per the indigent policy, an indigent data-base refers to a data base that Midvaal Local Municipality established to register and monitor all households that are categorised as per financial definition of an indigent.

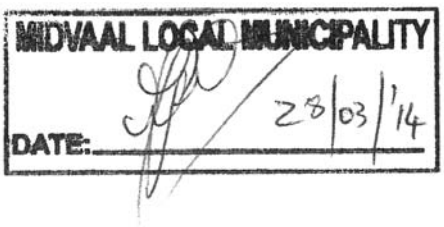
2. QUALIFICATION CRITERIA

The criteria for the approval and registration as indigent household are as follows:

2.1 The applicant must be a resident of the Midvaal area.Business or industrial properties do not qualify as indigents.

2.2 Two categories of indigents will be considered:

2.2.1 Registered property owners (not tenants) who will benefit from the rebates in sections8.1, 8.2 and 8.3.



2.2.2 Other indigents who do not own property in Midvaal Local Municipality and will only qualify benefits in sections 8.2 and 8.3.

2.3 In respect of 2.2.1 above, the applicant or any combination of applicants, must be –

2.3.1 The registered owner of the property; or

2.3.2 An occupier of a child-headed household where the property is registered in the name of the deceased parent or deceased parents; or

2.3.3 The party to whom the property is awarded in the event of a divorce; or

2.3.4 Where a deceased estate has not been wound up a letter of authority / executorship is needed;

2.3.4.1 In the case of a deceased estate, in whose name the property is registered, any heir to whom the registered property has been bequeathed; or

2.3.4.2 A surviving spouse, where the surviving spouse was married in community of property to the deceased, and where the property is registered in both spouses' names and the surviving spouse is the sole heir; or

2.3.4.3 A surviving spouse, who was married in community of property to the deceased, together with any other heirs, if any, where the property is registered in the name of that deceased; and

2.3.4.4 The property must be registered into the new owners name within a year, after approval date of indigency.

2.3.5 The total household income of the property may not exceed R3 500; and

2.3.6 Be a full-time occupant of the property; and

2.3.7 If the applicant is the registered owner of more than one

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immovable property nationally and internationally the applicant will only be approved once; and

2.3.8 Must be in possession of a valid South African identity document.

2.3.9 If the property of the applicant has a valuation more than R1 000 000 [1 million rand), the applicant will only be approved once.

2.3.10 The vacant land where there is no full time occupant does not qualify for the subsidy.

3. SCOPE OF THE POLICY

The policy covers a wide range of indigent benefits such as but not limited to:

- Indigent rates and tax rebates
- Indigent burials
- Expanded Social Package (indigent exit programmes, life skills programmes, Unemployed database, Counselling by Social Workers)

4. CHALLENGES

4.1 Household income alone is not an adequate indicator of poverty.

4.2 To make an accurate assessment of the true situation in any household is difficult.

4.3 The number of households who might legitimately be termed 'indigent' or too poor to afford minimum acceptable level of municipal services is huge.

4.4 The household are changing constantly.

4.5 Conditions of poverty are too complex to allow for a single indicator to define the target group of indigent support.

5. RATIONALE FOR AN INDIGENT POLICY

5.1 The assurance of a basic human right as a progressive democracy.

5.2 To create a centralised mechanism to address poverty in a systematic way.

5.3 To enable Midvaal Local Council to efficiently support the provision of basic services to the poor.

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5.4 To enable Midvaal Local Council to restore the rule of law in the jurisdiction by establishing universal acceptance of the need to meet the obligations of payment of services.

6. INDIGENT POLICY PRINCIPLES

6.1 Equity

This implies that all people in a similar position should be treated similarly. The municipality must differentiate fairly between those in different circumstances, and treat them appropriately according to their different circumstances.

6.2 Sustainability

The policy must be financially and environmentally sustainable. This assumes a judicious long term approach to the use resources in both Finance and Social Services sections

6.3 Reasonable choices

The policy shall enable all households, including indigent households, to take responsibility and make choices wherever possible that best suit their circumstances.

6.4 Inclusivity

Income and indigent policies for poor Midvaal residents must be integrated seamlessly with income policy for all other citizens.

As households' circumstances change they should be able to shift relatively easily across the continuum of choices.

6.5 Implementable

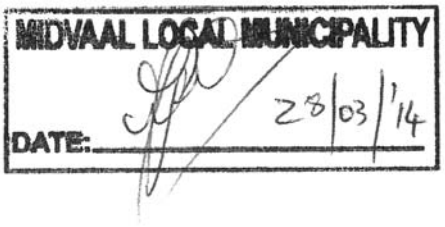
The indigent Policy must be administratively practical and implementable. Both Social Services and Finance shall play a key role to implement the policy.

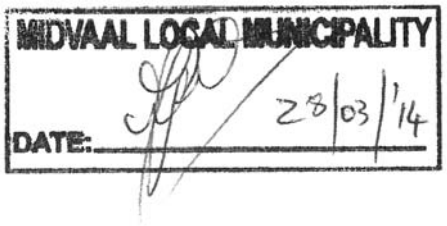
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7. OPERATIONAL PRINCIPLES

This section outlines a set of critical 'operational principles' which outlines many different aspects of the policy.

1	Implement convenient mechanisms to enable poor household to control consumption.
2	Early responses to problems are required in managing indigent households
3	Current consumption provides a good basis for establishing arrangements to pay off older arrears
4	The management of indigent households should not be fragmented amongst services
5	The role of electricity department is crucial in the long term management of indigent households
6	The sharing of responsibility between Finance and Social Services must be well designed.
7	Measures must be taken to ensure the reliability of the information submitted by the applicant.
8	The issue of poor postage delivery in indigent areas must be managed
9	Legal processes should be instituted against households through formal legal system only when other mechanisms have been exhausted and only if it is economically viable.
10	Updated and ongoing communication is crucial
11	Processes must be established to realise continuous improvement in the management of indigent households





8. INDIGENT SUPPORT CRITERIA

8.1 Rebates on municipal services

8.1.1 That the combined gross income of a household for qualification as an indigent be determined as equal or less than R3 500.00 per month.

8.1.2 That residents wishing to apply as indigent should do so atMidvaal Finance Department for capturing and referral to Social Services for assessment. (See flow chart on procedures and processes)

8.1.3 That the Midvaal electronic data base form be used to receive and process applications until such time that a new application form is developed.

8.1.4 That the screening committee consists of MMC Finance and MMC Social Services, a social worker and a designated official from finance.

8.1.5 That all application forms be captured into the electronic Indigents database of Social Services.

8.1.6 That a subsidy be credited on the account for one year –

That approved indigents be subsidised according to:

8.1.6.1 Indigent relief: Rates

- NO rates be levied on any property where the municipal valuation does not exceed the municipal valuation of R500 000 (five hundred thousand).
- If the valuation of the property is more than R500 000(five hundred thousand), the first R500 000 (five hundred thousand) will be exempted from rates.

8.1.6.2 Indigent relief: Water

- Consumer may receive their first 6 kl, or as determined by Council from time to time of consumption on a zero-based tariff.
- A basic charge will be levied and be offset against equitable share.

- The Municipal Manager will grant authority that a prepayment meter may be installed in those properties where the registered owners qualify and are registered for indigent relief so that the debtor cannot consume electricity beyond such debtor's means.
- All prepayment meters are installed at the rate as indicated in the Tariff Policy.
- Water leaks in the properties of indigents will be repaired at no cost.

8.1.6.3 Indigent relief: Electricity

- Consumer will receive a free supply of 50 kWh per month in case where a low voltage meter has been installed
- The Municipal Manager will grant authority that a prepayment meter may be installed in those properties where the registered owners qualify and are registered for indigent relief so that the debtor cannot consume electricity beyond such debtor's means.
- All prepayment meters are installed at the rate as indicatedin the Tariff Policy.
- A basic charge will be levied and be offset against equitable share.

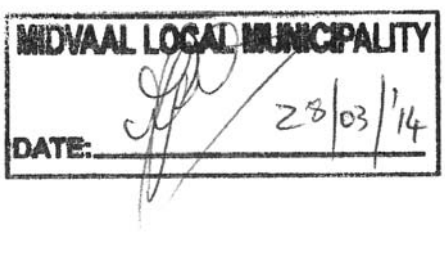
8.1.6.4 Indigent relief: Refuse

- All registered debtors will be levied with a refuse removal service and be offset against equitable share.

8.1.6.5 Indigent relief: Sewerage

- All registered debtors will receive a free sewerage service.
- A basic charge will be levied and be offset against equitable share.

8.1.7 That the indigents reapply for assistance and the Social Services Department should perform a re-evaluation/ reassessment of an Indigent applicant during the ninth (9th) month of indigence.



8.1.8 That the Social Services Department should investigate possible ways of creating and encouraging Exit programs for indigents.

8.1.9 That Indigents be compelled to inform Council about any change of their indigence status compelling them sign a penalty clause viz. Services will be discontinued until arrears are paid in full.

8.1.10 That the Social Services department informs Finance in all instances referred to in (i) above. The latter will then cancel the approval, terminate subsidy and bring back the amount in the Indigent suspense account.

8.1.11 That application forms in respect of approved indigents be submitted to the Finance Department for capturing within fourteen (14) days of approval thereof.

8.1.12 That all outstanding balances up to the date of approval bewritten off.

8.1.13 That services be suspended/restricted to indigents who fail to pay for services consumed up and above the subsidised amount.

8.1.14 That no legal action, eviction should be instituted / conducted against indigents.

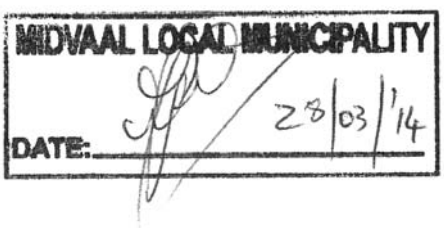
8.1.15 That expired indigents referred to in (o) above, should exclude any individual whose indigence status changed during the application process.

8.1.16 That any conditions affecting indigents should be brought to their attention in the official language of their preference by the Social Services department.

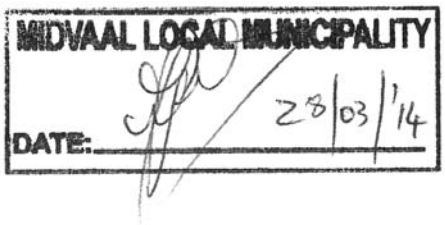
8.1.17 That the assessments of indigent's applicant's include lifestyle audit and ownership of luxurious items e.g. Motor car, DSTV decoders etc.

8.1.18 Where tampering is discovered, all benefits will immediately be halted. A fine according to the Credit Control Policy will be imposed. The service will be terminated and will only be re-installed on the payment of the full amount of the reconnection fee and fine.

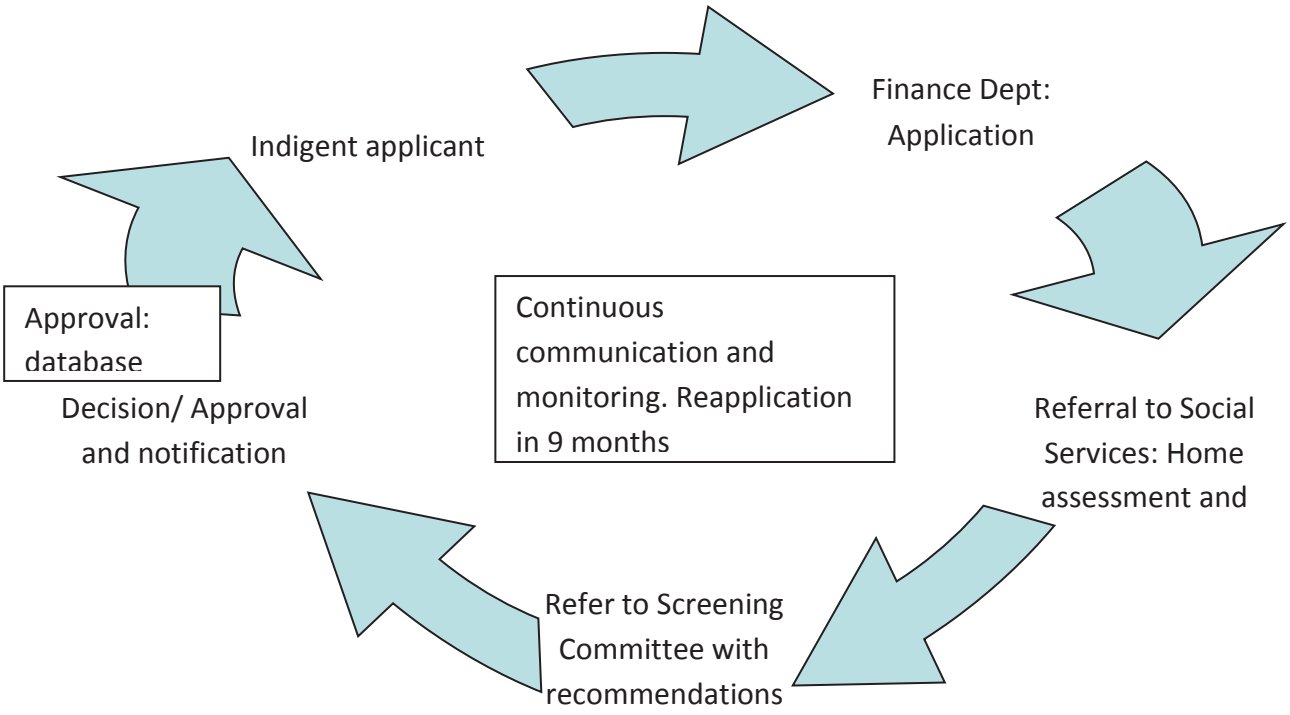
8.1.2 <u>Required documents for registration</u>



- Proof of gross income: This must not exceed R3 500.00 per household per month.
- Ownership status / proof of residence: The applicant must be the registered owner of the property or proof of account liability in case a child headed household where the property is registered in the name of the deceased parent/s.
- Valid copy of identity.
- Pension certificate or card in case of a pensioner.
- Municipal account.
- Duly completed application form.



Procedures and Processes for Implementation



This whole process is to be completed in 3 months from date of application

8.2 Indigent burial support criteria

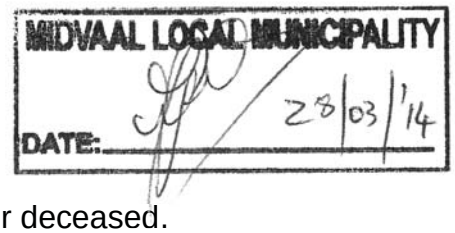
Required documents for indigent burial registration

- Proof of gross income: This must not exceed R3 500.00 per household per month.
- Proof of residence (the deceased must be a bona fide resident of Midvaal.

- Copy of the I.D.

8.3. Employment opportunities

For certain positions in Council employment opportunities will be given to persons in the indigent register (per household) on the express condition that the person employed based on this policy assumes responsibility for the municipal account of the household.



9. OBJECTIVES OF THE INDIGENT BURIAL AID

- To assist the indigent families in the burial of their deceased.
- To implement the procedures to bury the indigents.
- To ensure that resources are allocated to carry out the burials.
- The indigent burials aid will be implemented with the proviso that funds are transferred from Gauteng DLG & Cooperative Governance HIV/AIDS Unit to the Municipality as well as funds sourced from different sectors in order to finance the costs of indigent burials.
- Indigent burials programme is only limited to bona-fide residents of Midvaal.

10. REQUIREMENTS AND PROCEDURES

10.1 Midvaal Local Municipality will bury persons when evidence is provided that they are bona fide residents of Midvaal;

10.2 The council will consider the burial of any person or immediate family member of such person, if she/he is registered as an indigent within Midvaal Local Municipality;

10.3 The family can request an indigent burial by means of an affidavit, substantiated by an official letter from a social worker, ward councillor or a relevant MMC. The said documentation must indicate the reasons for this request;

10.4 All persons applying for the indigent burial service shall provide the documentation to Midvaal Local Municipality as indicated.

10.5 Proof from the family member/relative that they cannot bury the deceased;

10.6 Confirmation that no other person or organisation other than the relatives, are in the position or do not have resources to pay for the burial.

10.7 If the body was found outside the Midvaal Municipal area of jurisdiction and the person is not a resident of Midvaal, the request for an indigent burial must be referred to the relevant local authority where the person was a bona fide resident.

10.8 The ward councillor must refer applicants to Midvaal Social Development for screening and further assistance.

10.9 All requests for indigent burials must be referred to and considered by the designated official at the Community Services Department (Social Development).

10.10 Social Development should carry out screening and certify indigent's status of applicant.

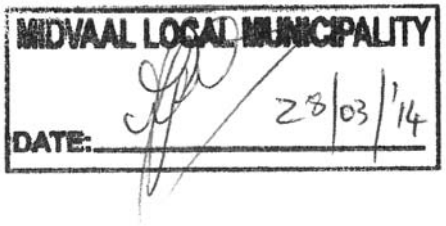
10.11 The designated official must ensure that all the above-mentioned procedures and requirements are met before an order could be placed at the contracted funeral undertaker appointed by Midvaal Local Municipality to bury a deceased person as indigent.

10.12 Authentic ID.no's, will serve as the official approval for indigents dealt in the procedures.

10.13 All indigent burials must be conducted during the week.

10.14 Midvaal Local Municipality will not be liable for storage costs of bodies beyond 24 hours.

10.15 Indigent burials can be arranged for anybody in the community if all requirements are met.



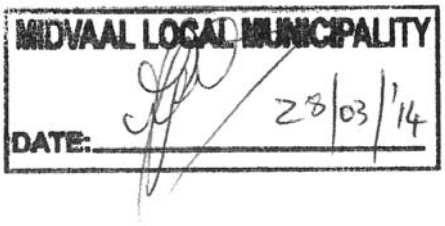
Application forms

The attached application form should be used for application and processing of all indigent applications for municipal rebates (See Annexure 1), and Indigent burials
(See Annexure 2)

Conclusion

For Midvaal it is a priority to ensure that the poor receive affordable basic services. However, this task is made more complex by the large proportion of the population who are potential beneficiaries of the indigent programme.

To market the policy and the initiative Social Services will engage ward committees and ensure community participation. Newspaper adverts in the local media and the Indigent's brochure will also be used to invite indigent's applications.



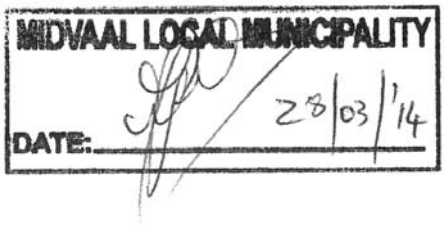
MIDVAAL
LOCAL MUNICIPALITY

CONTACT DETAILS: KGOMOTSO PHAHLADIRA
016 360 5862

Ref: 17/1/1 Date: _____

Your ref: _____

Molotsi Funeral Services
2705 Ward Road
Evaton
1930



For Attention: Mr Molotsi

SPECIAL TARIFFS FOR INDIGENT BURIALS

The deceased Mr/Mrs/Child _____ ID nr _____

born on the _____ and passed away on the _____ is an

indigent and is residing at Midvaal. He/She is a bona fide resident in Midvaal.

Address: _____

Contact details of family / next of kin residing at _____

_____ Contact number: _____

It is recommended that he/she be buried at Meyerton Cemetery at an indigent tariff.

Hoping that the request will receive your favourable attention.

Thank you

WARD NO _____ COUNCILLOR _____

SIGNATURE: _____

MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/14

MIDVAAL LOCAL MUNICIPALITY
APPLICATION TO BE REGISTERED AS AN INDIGENT

1 This application must be completed by the person responsible for the payment of the account
2 Copies of Municipal account, ID documents, pension certificates and proof of income must be attached

1 **DATE OF APPLICATION** _____

2 **ACCOUNT NUMBER** _____ **WARD** _____

3 **SURNAME** _____

4 **FIRST NAMES** _____

5 **ID NUMBER** _____

6 **ADDRESS** _____

7 **TEL NO** (H) _____ (W) _____ (C) _____

8 **GENDER** MALE ☐ FEMALE ☐ AGE ☐

9 **MARITAL STATUS** MARRIED ☐ SINGLE ☐ DIVORCED ☐
CUSTOMARY MARRIAGE ☐ WIDOWED ☐ LIVING TOGETHER ☐

10 **HOUSE** Is there an outstanding amount on the bond of this property Yes ☐ No ☐
If yes, which Bank _____

TYPE OF HOUSE Shack ☐ Brick with shack ☐ Brick with tiled roof ☐

Number of rooms in house ☐ Number of outside rooms (shacks) ☐

11 **HEALTH** POOR ☐ GOOD ☐ EXCELLENT ☐

If poor, give details _____

Any physical or mental defect Yes ☐ No ☐

If yes, give details _____

FAMILY MEMBERS WITH DISABILITIES

NAME	DISABILITY	DETAILS

12 **EMPLOYMENT SKILLS** OF HOUSEHOLD MEMBERS WITHIN ECONOMICALLY ACTIVE AGE GROUP

NAME	

MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/'14

MIDVAAL
LOCAL MUNICIPALITY

FREE BASIC ELECTRICITY POLICY

PROVISION OF FREE BASIC ELECTRICITY POLICY

FBE ALLOCATION IS 50 kWh units per month.

The following policy provides guidelines to determine a uniform approach for the allocation of free basic electricity inside the boundaries of the Midvaal Local Municipality.

Note: Electricity used for business purposes is excluded from the free basic electricity allocation.

1. ALLOCATION OF FREE BASIC ELECTRICITY

Free basic electricity to MLM customers may be allocated in accordance with the following provisions:

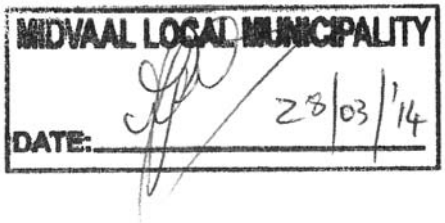
1.1. when provided for in the MLM Policy on Free Basic Electricity,

1.1.1. residents using electricity for residential purposes within the Midvaal supplied area, for registered indigents only, and

1.1.2. residents using electricity for residential purposes within the Eskom supplied area inside MLM and a contract exists whereby Midvaal pays Eskom to supply free basic electricity to these customers.

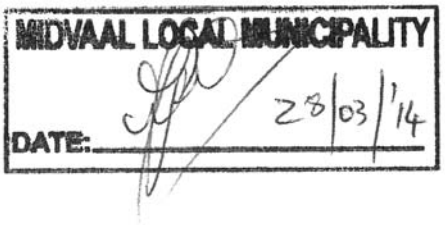
2. IMPLEMENTATION DATE

The policy will be effective as from 1 July 2014.



MIDVAAL
LOCAL MUNICIPALITY

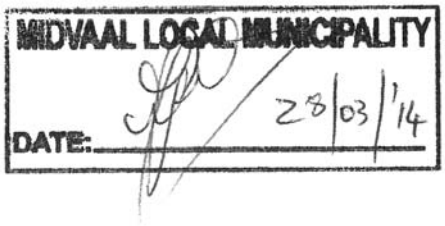
POLICY: PROVISION OF FREE BASIC WATER



POLICY: PROVISION OF FREE BASIC WATER

1. APPLICATION AND SCOPE

This policy is applicable to the Residential stands (Res.1) and Agricultural < 16 HA and Approved Indigents residing within Midvaal Local Municipality.



2. OBJECTIVES OF THE POLICY

The objectives of the policy are –

- To realise everyone's constitutional right of access to sufficient water
- To grant every household an equitable and affordable basic (free) portion of the water and waste water services
- To support the poor, approved as Indigents in terms of the Council's relevant policy, with an additional basic (free) portion of the water services
- To ensure compliance to the applicable terms of the Constitution of the Republic of South Africa, Act 108 of 1996, the Local Government Municipal Systems Act 32 of 2000 and the Municipal Budget and Reporting Regulations contained in General Notice 393 in Government Gazette 3241 of 17 April 2009.

3. LEGISLATIVE FRAMEWORKS

3.1 Constitution of the Republic of South Africa, Act 108 of 1996

Section 27 (1) (b) determines –

Everyone has the right to have access to sufficient food and water

3.2 Local Government Municipal Systems Act, 32 of 2000

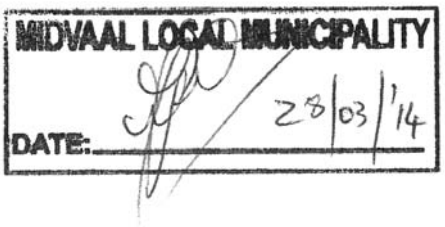
Section 74 (2) (c) of the Local Government Municipal Systems Act; 32 of 2000 determines:

"(c) poor households must have access to at least basic services through –

(i) Tariffs that cover only operating and maintenance cost,

(ii) Special tariffs or life line tariffs for low levels of use or consumption of services or for basic levels of service: or

(iii) Any other direct or indirect method of subsidization of tariffs for poor households"



4. FREE BASIC SERVICES PRINCIPLES

4.1 The right of access to basic water

Everyone has the right to have access to sufficient water. MLM is committed to promoting sustainable access to a basic water supply by subsidizing the ongoing operating and maintenance costs of a basic water supply service.

4.2 Consumer Responsibilities

The right to basic water supply services come with a corresponding responsibility, namely, to use water services responsibly and with due care.

4.3 User Charges (Retail)

Charging for water services is essential in order to generate sufficient funds for operating, maintaining and investing in water systems but at the same time recognising the need for affordability. Sound business principles within a sound subsidy frame work are therefore essential. This includes good governance, sound accounting, adequate provision for depreciation, adequate spending on maintenance and replacement of assets, effective and efficient use of resources and income (including subsidies) which covers expenses.

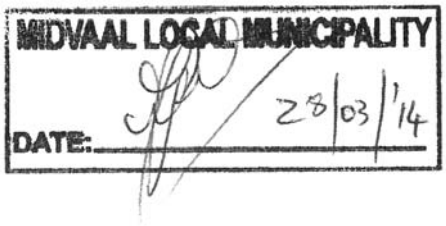
5. APPLICATIONS AND IMPLEMENTATION

5.1 Six Kiloliter free per month

The block tariff adopted by Council for the use of the water services exclusively for household purposes, provides for every household to receive 6 kiloliter free per month.

5.2 Implementation Date

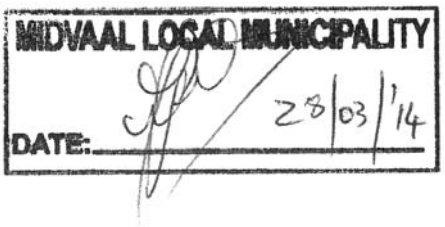
The policy will be effective from 1 July 2014.



MIDVAAL
LOCAL MUNICIPALITY

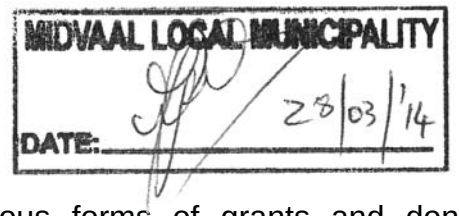
POLICY ON THE
ACCEPTANCE OF GRANTS, GIFTS, DONATIONS AND SPONSORSHIPS

MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/14



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	2.3 Donations and Sponsorships to the Municipality	5 – 6
	2.4 Rewards, Gifts, Hospitalities or other benefits directly or indirectly offered to employees of Midvaal	6
3.	Reporting to Council on Grant Funding for Capital and Operating projects	6
4.	Other reporting requirements	8 – 9
5.	General	9



1. Introduction

Midvaal Local Municipality receives various forms of grants and donations. This includes:

1. Grant funding for capital projects, as per the DORA (e.g. MIG, RBIG, etc.)
2. Grant funding to fund operational projects, as per the DORA (e.g. FMG, MSIG, etc);
3. Sponsorships to fund mayoral projects (e.g. Mayoral Golf Day);
4. Other sponsorships;
5. Other ad hoc donations and gifts.

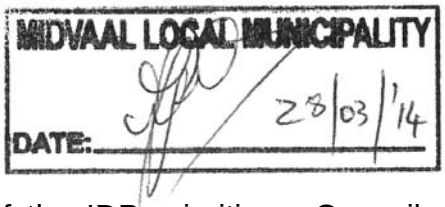
These grants, donations, sponsorships and gifts need to be managed effectively and efficiently to ensure that the desired outcomes (or prescribed outcomes in the case of conditional grants) are met.

In addition to grants, sponsorships and donations offered to Midvaal Local Munici-pality, individuals (employees and councillors) are offered rewards, gifts and favours.

2. Acceptance of grants, gifts, donations and sponsorships

Midvaal Local Municipality should not simply accept all grants, gifts and donations offered to Council, but should consider all the implications of acceptance of the grants before doing so.

The Municipal Finance Management Act, Act 56 of 2003 and the Municipal Supply Chain Management Regulations, subject to SCM Regulation 47, do not prohibit spon-sorships or donations (in money or kind) to the municipality as such, but prescribe that such action must be disclosed if it was promised, offered or granted by a pro-vider or prospective provider of goods and services or a recipient or prospective recipient of goods disposed of or to be disposed of. In deciding whether to accept the abovementioned, due regard must be given to the Supply Chain Management Policy.



2.1 Capital Grants

Capital grants must be evaluated in terms of the IDP priorities. Council will firstly implement projects to satisfy community need in terms of the IDP before other projects are implemented. However, capital projects not included in the IDP must be considered in terms of a comprehensive business plan that must contain the following pertinent information:

1. Description of project;
2. Link to existing projects and projects planned by other departments;
3. Staffing requirements – re-deployment of current employees (appointed staff, not vacant positions on the staff structure) or appointment of ad-ditional external employees (including both the number of employees and the designation/salary levels);
4. Impact on future operational budgets, including both income and expen-diture – all expenditure items must be included, (e.g. remuneration cost, operational overhead costs, municipal services, etc.);
5. Any additional information available, inter alia: What the impact on service delivery will be if the project is not implemented; and comments on capa-city to implement.

2.2 Operating Grants

Operating grants should be considered on an ad hoc basis. All grants that aim to further the objectives of the Midvaal Local Municipality should be considered for acceptance.

The following broad principles should be applied when considering whether or not to accept a grant:

1. Grant funding should not result in recurring operating expenditure for Midvaal Local Municipality;
2. The conditions of the grant funding should not place an undue adminis-trative burden on Council;

3. The vision and mission of Council should not be compromised in any way by accepting the grant;
4. The conditions of the grant funding should not compromise Council's authority and decision-making powers in any way; and
5. The Executive Mayor may use his/her discretion when being offered grants and acceptance thereof.

2.3 Donations and Sponsorships to the Municipality

The acceptance of donations and sponsorships must, at all time, be done in such a manner that it maintains and promotes sound financial management, public accountability, transparency and good governance.

When donations and sponsorships are offered to the municipality, the following must be considered:

1. Whether the sponsorship or donation creates an expectation of further work, contracts, support, etc to the organisation or person making the sponsorship or donation;
2. Whether MFMA training sponsorship comply with MFMA Circular 9 in that the training providers must be validated by National Treasury (This applies only to training on MFMA and not any other training courses);
3. Whether the sponsorship or donation is within the ambit of the Supply Chain Management Regulations 47 and 48; and
4. Whether the sponsorship or donation infringes the ethical standards set in Regulation 46 of the Supply Chain Management Policy.
5. Whether the donation or sponsorship may have financial, operational or reputational consequences to the municipality in the future, and where it is foreseen whether it is desirable to incur such consequences.
6. Whether the donation or sponsorship is desirable.

MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/'14

If it is found that the donation or sponsorship is offered or granted with the intention of being an inducement or reward for the awarding of any form of bid, or that it infringes on the ethical standards in Regulation 46 of the Supply Chain Management Policy, the donation or sponsorship may not be accepted.

All donations or sponsorships offered or granted to Midvaal Local Municipality must be submitted to the Municipal Manager for approval. Excluding the Executive Mayor as stated in 2.b above, no person other than the Municipal Manager may authorise the acceptance of donations or sponsorships.

All relevant donations or sponsorships offered or granted to Midvaal Local Municipality must be declared to National Treasury in terms of Section 48 of the Supply Chain Management Regulations.

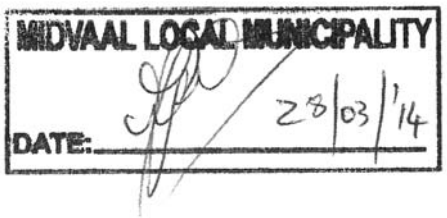
2.4 Rewards, Gifts, Hospitalities or other Benefits directly or indirectly offered to employees of Midvaal Local Municipality

1. No employee may accept any reward, gift, favour, hospitality or other benefit directly or indirectly, including any close family member, partner or associate of the employee, of a value more than R350 from any provider or potential provider of goods/services;

2. Notwithstanding the above, the relevant employee must declare details of any reward, gift, favour, hospitality or other benefit promised, offered or granted to him/her or to any close family member, partner or associate of him/her;

3. Each Head of Department must maintain a register where rewards, gifts, favours, hospitality or other benefits that are offered and/or accepted by employees in his/her department are recorded; and

4. The abovementioned register must be available for inspection by the Municipal Manager and the Internal and External Auditors of the Midvaal Local Municipality.



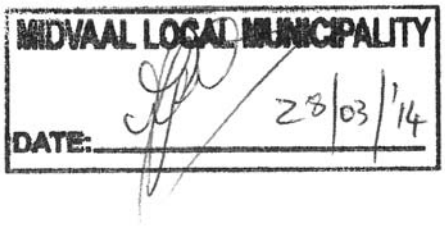
2.5 Rewards, Gifts, Hospitalities or other Benefits directly or indirectly offered to Councillors of Midvaal Local Municipality

1. The same rules as per 2.4 above apply to Councillors mutatis mutandis.
2. The Gift Register for Councillors similar to the one contemplated in 2.4.3 above, will be maintained by the Speaker's Office.

3. Reporting to Council on Grant Funding for Capital and Operating projects

It is the responsibility of the department receiving the grant to report to Council on the following matters upon receiving confirmation of the grant:

1. Description of the grant received;
2. Amount received;
3. Purpose of the grant;
4. Conditions of the grant;
5. Implementation plan; and
6. Expected outcomes.

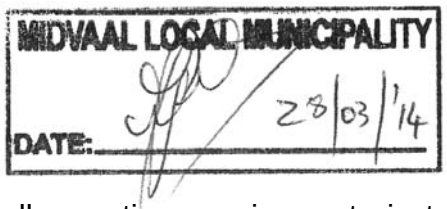


Abovementioned will only be applicable to ad hoc grants received during the year and not capital projects budgeted for as part of the approved IDP Capital Investment Program.

After completion of the project/programme, the department will be required to report to Council on the following matters:

1. Date of receiving of physical cash payment;
2. Date of implementation;
3. Actions performed, program implemented;
4. Amount of actual expenditure incurred;
5. Report back on conditions of the grant that was met;
6. Final outcome of project/programme; and

7. How any unspent funds must be used, taking conditions of the grant into consideration.



4. Other reporting requirements

Departments are responsible to adhere to all reporting requirements in terms of the conditions of the grant. Grants received from National and Provincial Government must be reported in terms of the conditions of the Division of Revenue Act.

The duties of the receiving officer (department receiving the grant) are detailed as follows in the Division of Revenue Act:

"*A municipality shall, within 10 days after the end of each month, submit a report to the relevant transferring National or Provincial Officer. The report must set out -*

- *The amount received by the municipality, up to the month reported on;*
- *The amount of funds delayed or withheld from the municipality, up to the month reported on;*
- *The actual expenditure by the municipality up to the month reported on;*
- *The extent of compliance with the conditions of an allocation and with the Act;*
- *An explanation for any material problems or variances experienced by the municipality, regarding an allocation which has been received, and a summary of the steps taken to deal with such problems or variances; and*
- *Such other issues and information as the National Treasury may determine."*

If any variance is detected and it is not of a financial nature, the department in question should refer the problem to the appropriate interval Portfolio Committee Meeting for consideration. A summary of the steps taken to deal with such problems or variances should be reported to Council.

In the event of non-compliance with the rules and regulations as set out in the Division of Revenue Act, the applicable department should take the necessary action to rectify the fact that they are not complying.

The Chief Financial Officer must disclose to National and Provincial Treasury on an annual basis, all sponsorships promised, offered or granted, whether directly or through a representative or intermediary, by any person who is:

- A provider or prospective provider of goods or services; or
- A recipient or prospective recipient of goods disposed or to be disposed of.

To enable the Chief Financial Officer to comply with 5.5 above, all Heads of Department must, by no later than 15 July annually, report to the Chief Financial Officer on all sponsorships promised, offered or granted, whether directly or through a representative or intermediary, by any person who is:

- A provider or prospective provider of goods or services; or
- A recipient or prospective recipient of goods disposed or to be disposed of.

5. General

All grants, donations, sponsorships, etc. must be paid into the Primary Bank Account of Midvaal Local Municipality.

MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/'14

MIDVAAL
LOCAL MUNICIPALITY

LONG TERM FINANCIAL PLANNING POLICY

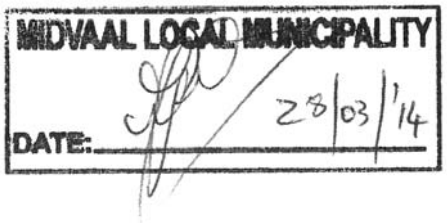
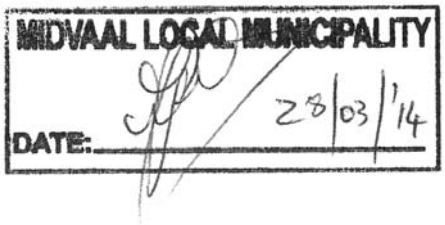


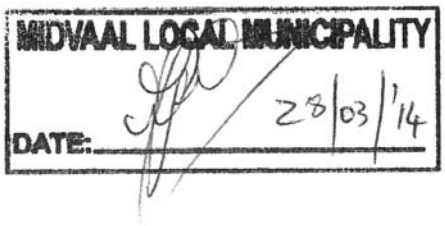
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ABBREVIATIONS

MLM	MIDVAAL LOCAL MUNICIPALITY
AO	Accounting Officer
CFO	Chief Financial Officer
LTFP	Long Term Financial Plan
IDP	Integrated Development Plan
MFMA	Municipal Finance Management Act
MSA	Municipal Systems Act



1. PURPOSE OF THIS DOCUMENT

This policy sets outs the principles for determining the following:-

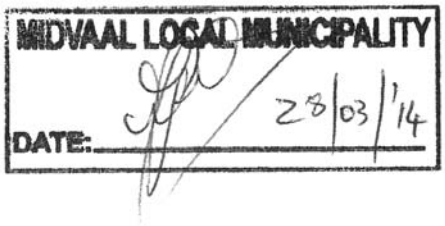
The Policy on Long Term Financial Planning is aimed at ensuring that the Municipality has sufficient and cost-effective funding in order to achieve its long term objectives through the implementation of the medium term operating and capital budgets. The purpose of the Policy on Long Term Financial Planning is therefore to:-

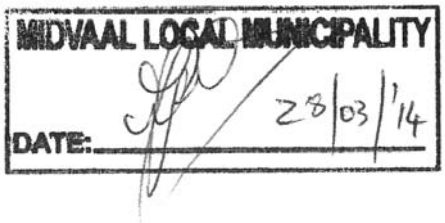
(a) Ensure that all long term financial planning is based on a structured and consistent methodology in order to ensure the long term financial sustainability of the Municipality.

(b) Identify capital investment requirements and associated funding sources to ensure the future sustainability of the Municipality;

(c) Identify revenue enhancement and cost saving strategies in order to improve service delivery at affordable rates; and

(d) Identify new revenue sources as funding for future years.





2. DEFINITIONS

In this Policy, unless the context otherwise indicates, a word or expression to which a meaning has been assigned in the Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003), has the meaning so assigned, and:

"Accounting Officer" – means the Municipal Manager and vice versa;

"Act" – means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);

''basic municipal service'' means a municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provided, would endanger public health or safety or the environment;

"Budget Steering Committee", a committee established to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the MFMA;

''budget-related policy'' means a policy of a municipality affecting or affected by the annual budget of the municipality, including –

(a) the tariffs policy which the municipality must adopt in terms of section 74 of the Municipal Systems Act;

(b) the rates policy which the municipality must adopt in terms of legislation regulating municipal property rates; or

(c) the credit control policy which the municipality must adopt in terms of section 96 of the Municipal Systems Act;

"Chief Financial Officer" – means an officer of the Municipality, designated by the Municipal Manager to be administratively in charge of the financial affairs of the municipality;

"Council" or "Municipality" – means the Municipal Council of Example Municipality as referred to in Section 18 of the Municipal Structures Act;

"Creditor" – in relation to a municipality, means any person or service provider to whom money is owing by the Municipality;

"Debt" – means –

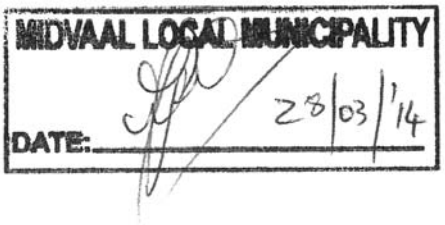
(a) a monetary liability of obligation created by a financing agreement, note, debenture, bond, overdraft or the issuance of municipal securities; or

(b) a contingent liability such as that created by guaranteeing a monetary liability or obligation of another.

"Financing Agreement" means any long-term agreement, lease, installment purchase contract or hire purchase agreement under which the Municipality undertakes to pay the capital cost of property, plant or equipment over a period of time;

"Financial year" – means a year ending 30 June;

"Financial Statement" – means statements consisting of at least –
(a) a balance sheet (statement of financial position);
(b) an income statement (statement of financial performance);
(c) a cash-flow statement;
(d) any other statements that may be prescribed; and
(e) any notes to these statements.



"IDP" means the Integrated Development Plan;

"LTFP" means Long Term Financial Plan;

''long term debt'' means debt repayable over a period exceeding one year;

"MBRR" means the Municipal Budget and Reporting Regulations;

"MFMA" means the Municipal Finance Management Act No 56 of 2003;

"MTREF" means Medium Term Revenue and Expenditure Framework, as prescribed by the MFMA. It sets out indicative revenue and projected expenditure for the budget year, plus two outer financial years;

"Municipal debt instrument" – means any note, bond, debenture or other evidence of indebtedness issued by a municipality, including virtual or electronic evidence of indebtedness intended to be used in raising debt;

''municipal tariff'' means a tariff for services which a municipality may set for the provision of a service to the local community, and includes a surcharge on such tariff;

''National Treasury'' means the National Treasury established by Section 216(1) of the Constitution and section 5 of the Public Finance Management Act;

"Short Term" refers to a period up to 3 (three) years;

"Medium Term" refers to a period between 3 (three) and 5 (five) years;

"Long Term" refers to any period longer than 5 (five) years.

"Security" – means a lien, pledge, mortgage, cession or other form of collateral intended to secure the interest of a creditor; and

"Short Term Debt" – means a debt which is repayable over a period not exceeding 12 months.

3. OBJECTIVES

The annual updated LTFP should identify the following:

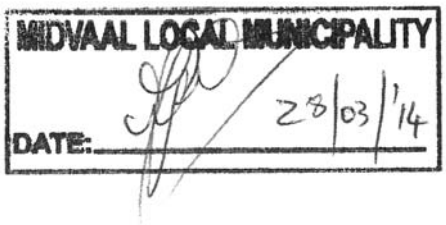
(a) Assumptions and parameters to be used to compile the Operating and Capital budgets over the next MTREF;

(b) Future Operating revenue and expenditure projections based on assumptions and parameters;

(c) Future affordability of projected Capital Plans;

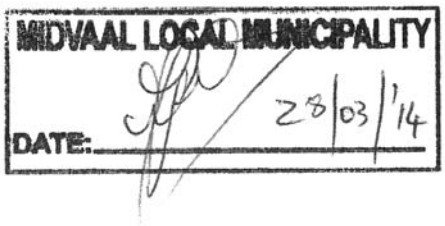
(d) The level of infrastructure development required to achieve the Municipal priorities, within the funding restrictions; and

(e) External funding requirements in respect of long term debt.



4. APPROVAL AND EFFECTIVE DATE

The policy will be effective as from 1 July 2014.

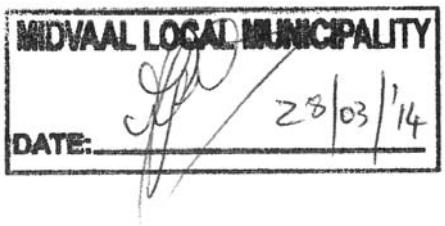


5. POLICY AMENDMENT

The Accounting Officer must–

(a) at least annually review the implementation of this Policy; and
(b) when the AO considers it necessary, submit proposals for the amendment of this Policy to the Council.

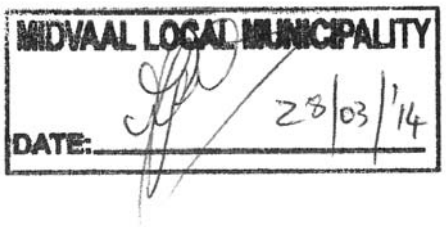
The review of this policy and any amendment should be made with due consideration and in conjunction with the annual review of the budget related policies as prescribed in the Municipal Budget and Reporting Regulations, 2008.



6. RELATIONSHIP WITH OTHER POLICIES

This policy needs to be read in conjunction with other relevant adopted policies of the municipality, including the following:

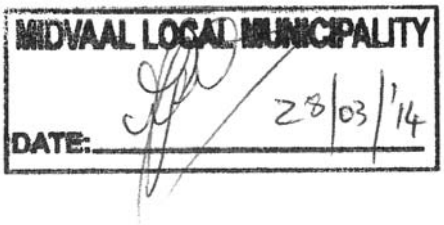
- Delegation of Powers;
- Accounting Policy;
- Credit Control and Debt Collection Policy;
- Tariff, Indigent and Free Basic Services Policy;
- Property Rates Policy;
- Budget Implementation and Monitoring Policy;



7. REFERENCES

The following references were observed in compiling this document:

- Municipal Finance Management Act, 2003
- Municipal Systems Act, 2000
- Municipal Structures Act, 1998
- Accounting Standards Board
- MFMA Circular 18 & 44
- MFMA Budget Circular 51
- Municipal Budget and Reporting Regulations, 2008
- Government Gazettes (30013 & 31021)
- Generally Recognised Accounting Practice



8. PRINCIPLES

The policy is based on the following principles:-

(a) Viability and sustainability of the municipality;

(b) Optimisation of the municipal revenue basket, taking into consideration the following:

- Grand funding is optimally utilised and managed; and
- Effective credit control and debt collection, ensuring optimal revenue collection in the context of the socio-economic environment.

(c) Continuous improvement and expansion in service delivery framework, and

(d) Effective financial strategies.

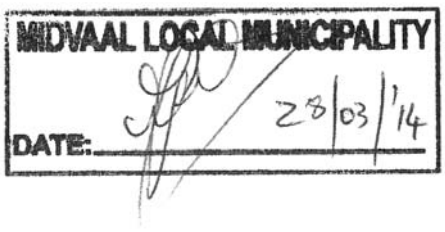
During the process of compilation of the LTFP the Municipality should take cognisance of the following additional factors regarding the process:-

(c) A collaborative and visionary process. The LTFP does not just forecast the status quo into the future but considers different possible scenarios.

(d) A combination of technical analysis and strategising. Long-term forecasts and analysis are used to identify long-term imbalances and financial strategies are developed to counteract these imbalances or inequities.

(e) An anchor of financial sustainability and policy development. The plan develops big-picture and long-term thinking among elected and appointed Councilors and Officials and also aims to ensure alignment and credibility of the IDP.

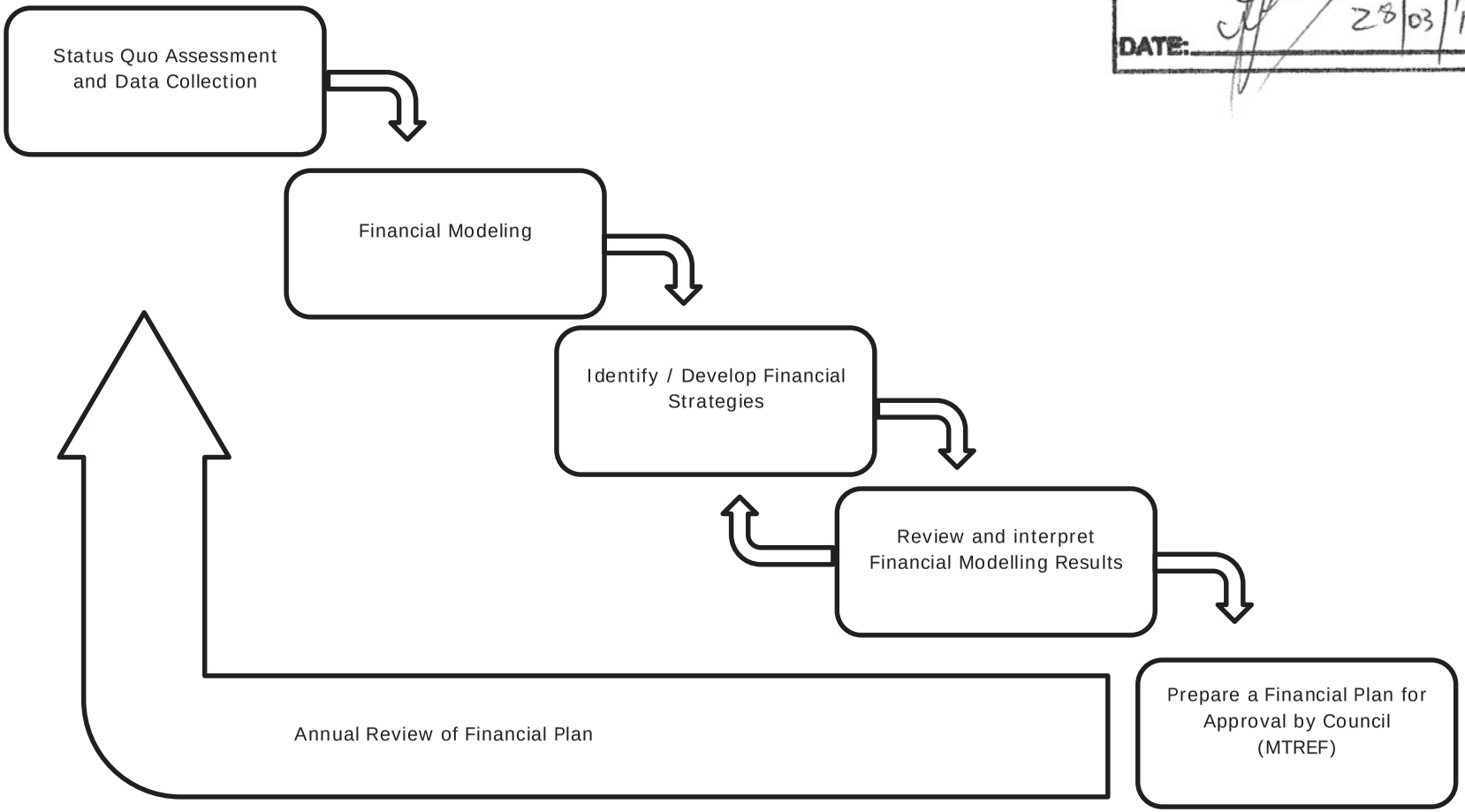
(f) Long term in nature. The plan will cover three (3) years.



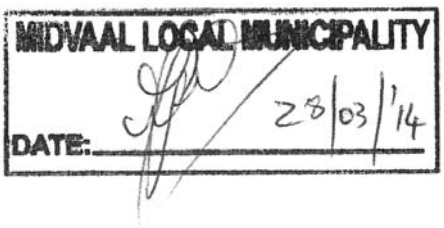
9. DEVELOPMENT OF A FINANCIAL PLAN

9.1 Process map

MIDVAAL LOCAL MUNICIPALITY
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9.2 Status Quo assessment and data collection

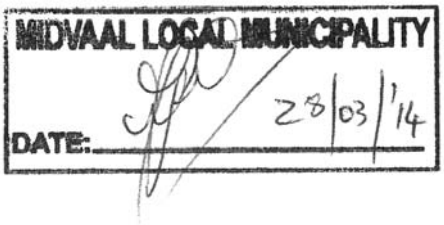


Perform a Status Quo assessment under the following criteria:-

(a) The Municipality's current financial status;
(b) Audit Outcome for prior Financial Years;
(c) Current revenue sources, internal and external proportion of revenue;
(d) Main cost drivers impacting on the sustainability of the Municipality;
(e) Determine the main expenditure categories and the scale of each;
(f) Identify internal and external factors, which influence expenditure levels;
(g) Loan and liability obligations;
(h) Status of municipal infrastructure;
(i) Repairs and maintenance and refurbishments as per the Infrastructure Asset Management Plans;
(j) Distribution Losses;
(k) Reviewing the Municipality's funding requirements as per:
 - financial plan; and
 - IDP.
(l) Ability to finance capital expenditure;
(m) Trends and the implications including the financial problems; opportunities and constraints/risks facing the Municipality;
(n) Powers and Functions of the Municipality;
(o) Service backlogs and population projections in order to determine service needs; and
(p) Summarise the gaps and challenges to be addressed in the financial and funding plan.

In reviewing the current revenue sources in terms of:

(a) Existing service charges and fees.
(b) Options for increasing user charges and fees based on:
 - the impact of inflation;
 - other cost increases;
 - number of registered indigents;
 - the adequacy of the coverage of costs and current competitiveness of rates; and
 - impact on households, particularly poorer households.
(c) The nature and extent, purpose and predictability of National and Provincial Grants and Agency Payments.
(d) Future opportunities and threats in terms of revenue:
(e) Other revenue opportunities, such as leases and the sale of non-core assets.
(f) Revenue constraints, such as maximum service charges and poor payment levels.
(g) Potential threats to Municipal revenue, including changes in Grant allocations.



(h) Potential expansion of the current revenue base.
(i) Factors, which influence revenue collections.

Other non-financial issues to consider during status quo analysis

(a) Proposed organisational structure and assessing its cost implications;
(b) Proposed community projects and programmes by Departments, such as Housing and Health, and assessing their cost implications; and
(c) Current state of Information Communication and Technology

9.3 Financial Modeling

Upon completion of the status quo assessment, resulting in an understanding of the Municipality's financial position, the next phase is to determine the Municipality's financing need over the medium-term:-

(a) Develop a financial forecast model to identify immediate opportunities and risks; and
(b) To identify future opportunities and risks.

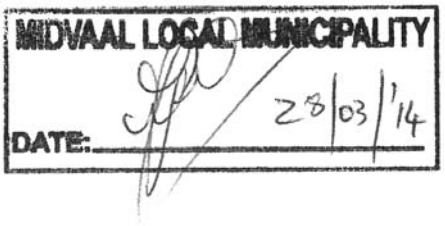
This entails determining what expenditure the Municipality plans to undertake over the medium-term and what its financing requirements are likely to be and how these can be funded either internally or externally.

As the Municipality evolves and expands its service delivery framework, so do those of the National Government. Long term community development and economic development projects will therefore also be included under this phase.

9.4 Financial Strategies

A key feature of the LTFP is to give effect to the Municipality's financial strategies. These strategies should include:

(a) Increasing funding for asset maintenance and renewal;
(b) Continuous improvement to the financial position;
(c) Ensuring affordable debt levels to fund the capital budget;
(d) Maintaining fair, equitable and affordable rates and tariff increase;
(e) Maintaining or improving basic municipal services;
(f) Achieving and maintaining a breakeven/surplus Operating budget; and
(g) Ensuring full cost recovery for the provision of internal services.



9.5 Analyse results

For the short-term needs of the Municipality based on the Financial Modelling, perform scenario planning to identify the optimum balance between revenue collection and municipal spending, taking into account the following:-

(a) Potential revenue enhancement strategies which may have an immediate impact on the revenue base of the Municipality;

(b) Evaluate cost saving mechanisms to minimise the cost of effective service delivery; and

(c) Current infrastructure investments and maintenance programs which may influence revenue streams or the cost of service delivery.

9.6 Prepare Financial plan for approval

The Long Term Financial Plan should indicate the following:-

(a) Illustrate the projected result for a three (3) year period.

(b) Forecasting of revenues and the forecasting of expenditures into a single financial forecast.

(c) Finalisation of the Financial Plan includes collating all financial data and develop a financial plan that:-

 a. Identifies future revenue projections based on current and projected revenue streams, as well as those projects required to achieve these projections;

 b. Identifies future expenditure frameworks and cost of service delivery based on current and projected expenditure patterns;

 c. Identifies the level of infrastructure development required to achieve the municipal priorities, within the funding restrictions; and

 d. Identifies external funding requirements required for capital investment.

9.7 Annual Review

The success of the LTFP lies in continuous revision:

(a) The financial plan must be reviewed on an annual basis as part of the annual review of the IDP and updated with at least the following information:-

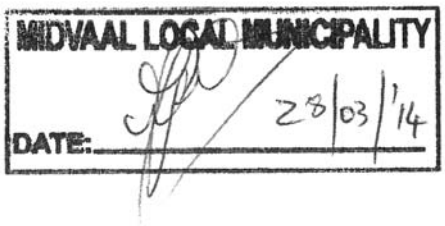
(b) any direct change in financial status or internal factors, other than previously predicted, which may influence the financial status and viability of the Municipality;

(c) any changes in the economic and socio economic environment, other than previously predicted, which may influence the financial status of the Municipality;

(d) any changes in the revenue base or composition which may have an impact on the financial viability of the Municipality;

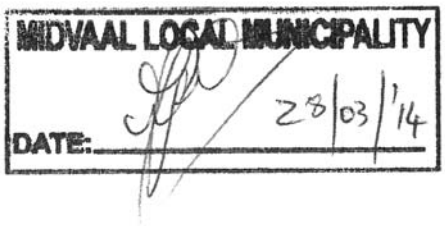
(e) any changes in the national or municipal priorities as previously identified; and

(f) any factors which may have an impact on the ability to implement previously identified projects.



10. IMPLEMENTATION AND REVIEW OF THE POLICY

This policy shall be implemented once approved by Council. All future Long Term Financial Planning must be considered in accordance with this policy.



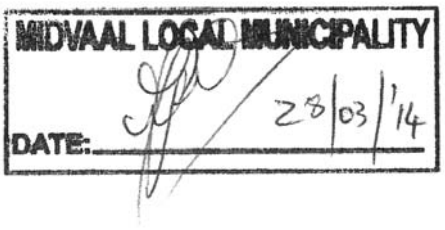
MIDVAAL
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ASSET DISPOSAL POLICY

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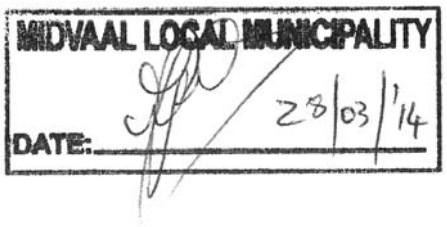
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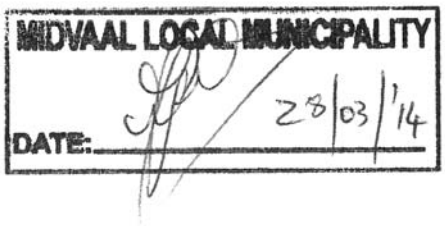
ABBREVIATIONS

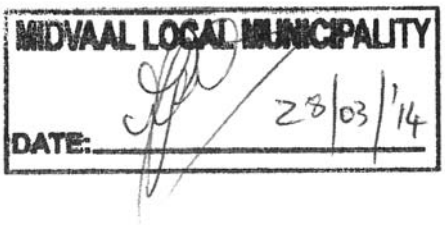
MLM	Midvaal Local Municipality
AMP	Asset Management Plan
AO	Accounting Officer
ASB	Accounting Standards Board
ATR	Asset Transfer Regulations
CFO	Chief Executive Officer
DRC	Depreciated Replacement Cost
GRAP	Generally Recognised Accounting Practise
HOD	Head of Department
MDA	Municipal Demarcation Act
MFMA	Municipal Finance Management Act
MM	Municipal Manager
MSA	Municipal Systems Act
PPE	Property, Plant and Equipment
SCM	Supply Chain Management
VAT	Value Added Tax



1. PURPOSE OF THIS DOCUMENT

The purpose of this document is to provide a framework for the disposal or transfer of the municipality's capital assets.





2. DEFINITIONS

"Asset" means a resource controlled by a municipality as a result of past events and from which future economic benefits or service potential are expected to flow to the municipality;

"Basic Municipal Services" shall mean a municipal service necessary to ensure an acceptable and reasonable quality of life, which service – if not provided – would endanger public health or safety or the environment;

"Capital asset" –

(a) any immovable asset such as land, property or buildings; or

(b) any movable asset that can be used continuously or repeatedly for more than one year in the production or supply of goods or services, for rental to others or for administrative purposes, and from which future economic or social benefit can be derived, such as plant, machinery and equipment;

"Chief Financial Officer" means the person appointed as the Chief Financial Officer of the Municipality, or his or her nominee;

Commercial services

Commercial services means a service other than municipal services –

a) rendered by a private sector party or organ of state to or from a municipality on a commercial basis; and

b) which is procured by the municipality through its supply chain management policy.

"Council" means the Council of the Midvaal Local Municipality;

"Councillor" shall mean a member of the Council of the Municipality;

“Disposal” in relation to a capital asset, includes -

a) the demolition, dismantling or destruction of the capital asset; or
b) any other process applied to a capital asset which results in loss of ownership of the capital asset otherwise than by way of transfer of ownership.

"Exempted capital asset" means a municipal capital asset which is exempted by 14(6) or 90(6) of the Municipal Finance Management Act, 2003 (MFMA) from the other provisions of that section;

“Fair market value” in relation to capital assets, means the value at which a knowledgeable willing buyer would buy and a knowledgeable willing seller would sell the capital asset in an arm’s length transaction;

“Financial Year” shall mean the period starting from 1 July in any year and ending on 30 June of the following year;

"Immovable Property" also includes -

(a) an undivided share in immovable property, and
(b) any right in immovable property.

"High value" in relation to a capital asset of a municipality, means that the fair market value of the capital asset exceed any of the following amounts:-

(a) R50 million;
(b) one percent of the total value of the capital assets of the municipality, as determined from the latest available audited annual financial statements of the municipality; or
(c) an amount determined by resolution of the Council of the municipality which is less than a) or b);

“the Municipality” means Midvaal Local Municipality;

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"Non-exempted capital asset" means a capital asset which is not exempted by section 14(6) or 90(6) of the Municipal Finance Management Act, 2003 (MFMA) from the other provisions of that section;

“Organ of state” – means

(a) a national department or national public entity;
(b) a provincial department or provincial public entity;
(c) a municipality or municipal entity; or
(d) any other organ of state within the meaning assigned to ‘organ or state’ in section 239 of the Constitution;

"Regulation" refers to the Municipal Asset Transfer Regulations, Government Gazette no.31346;

"Service Provider"

(a) in relation to a municipal service, means a private sector party or organ of state appointed by a municipality in terms of Chapter 8 of the Municipal Systems Act (MSA) to perform a municipal service in accordance with that Act; and
(b) in relation to a commercial service, means a private sector party or organ of state appointed in terms of the supply chain management policy of a municipality to render a commercial service to or for the municipality as an independent contractor;

"Subsidiary asset" in relation to a capital asset, means an asset that forms an integral part of the capital asset or of the operations or maintenance of the asset;

"Transfer" in relation to a capital or subsidiary asset, means transfer of ownership in the asset as a result of a sale or other transaction.

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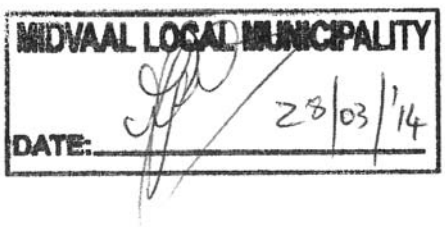
3. CONSTITUTIONAL AND LEGAL BACKGROUND

Section 14 and 90 of the Municipal Finance Management Act (MFMA) (Act No. 56, 2003) states:

“A municipality may not transfer ownership as a result of a sale or other transaction, or otherwise permanently dispose of any capital asset needed to provide a minimum level of basic municipal services.”

The following key principals were adopted to assist in the identification and management of risks associated with the transfer and disposal of capital asset. These principals must be considered and implemented in the context of any asset transfer:

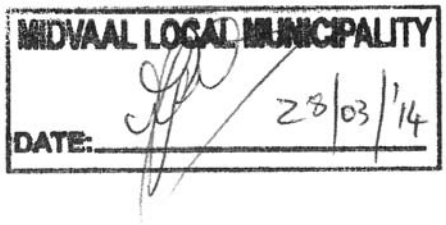
- **Valuation principle**, i.e. the need to attach a value to the transfer or disposal of a municipal capital asset, in order to ensure that the interests of the municipality and each of its stakeholders are not prejudiced by the transfer or disposal;
- **Continuity of service principle**, i.e. the need to ensure the uninterrupted continuance of a municipal service when a municipal capital asset that is being used in the delivery of that service, is transferred or disposed of, particularly when the asset is used in the provision of a minimum level of basic municipal service;
- **Risk transfer principle**, i.e. the need to transfer the risk relating to a municipal capital asset in conjunction with the transfer of the asset; and
- **Asset preservation principle**, i.e. the need to prevent the indiscriminate or unsustainable transfer or disposal of a municipal capital asset in order not to undermine the ability of the municipality to render or expand municipal services in the longer term.



4. OBJECTIVES

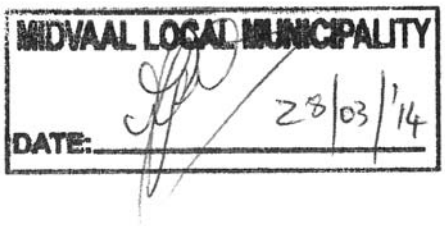
The objectives of the Asset Disposal Policy are to:

- Ensure that only assets that are assessed and deemed not to be critical to provide the minimum level of basic municipal services are disposed of;
- Ensure that assets are not disposed when the disposal of the asset or the terms of the disposal of the asset could disadvantage the municipality or community financially or otherwise;
- Ensure that all disposals are, in terms of section 14 (5) of the MFMA, fair, equitable transparent, competitive and consistent with the Supply Chain Management Policy (SCM) of the municipality; and
- Ensure that assets disposed of are updated in the municipality's Asset Register timeously and accurately.



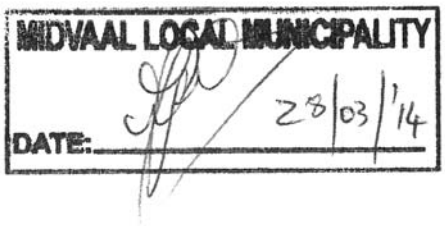
5. APPROVAL AND EFFECTIVE DATE

The policy will be effective as from 1 July 2014.



6. POLICY AMENDMENT

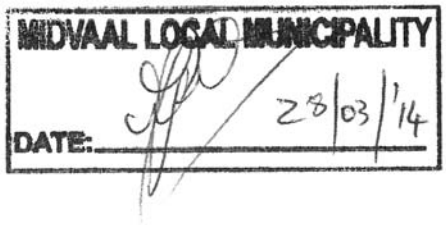
This policy should be reviewed annually to ensure continued compliance with the relevant legislation and accounting standards.



7. RELATIONSHIP WITH OTHER POLICIES

This policy needs to be read in conjunction with other relevant adopted policies of the municipality, including the following:

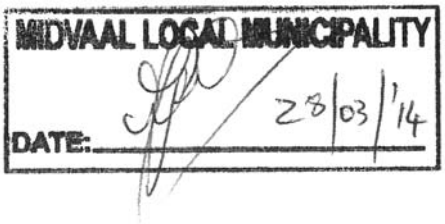
- Delegation of Powers;
- Accounting Policy;
- Supply Chain Management Policy;
- Asset Management Policy.

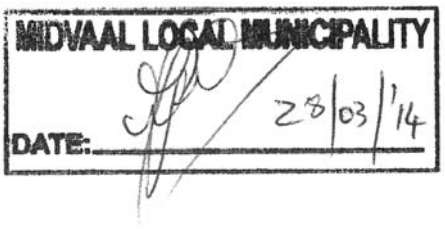


8. REFERENCES

The following references were observed in compiling this document:

- Municipal Finance Management Act, 2003
- Municipal Systems Act, 2000
- Local Government Supply Chain Management Guidelines, National Treasury, 2005
- Guide to the Municipal Asset Transfer Regulations
- Municipal transfer and disposal regulations, Government Gazette no.31346





9. ASSET TYPES

In this policy asset means any tangible or intangible resource capable of being owned. Tangible assets include physical assets, such as land, building, plant and equipment; whereas intangible assets include servitudes and similar assets that can not necessarily be seen.

It is important that a municipality has a fully up-to-date asset register that records the name, type, allocation and value of the assets under its control. The asset register forms a critical source of information required during the decision making process on the validity and reasonability of asset transfers and disposals.

9.1 Capital assets

A capital asset may be movable or immovable, provided that it has a life span of at least one year and can be used to produce or supply goods and services, for rentals to others or for administrative purposes (where a future economic or social benefit can be enjoyed).

9.2 High value capital assets

The municipality will firstly have to determine the combined value of any capital assets it intends to transfer or dispose of in the particular financial year (such must also be reflected in its Medium Term Revenue and Expenditure Framework (MTREF) budget).

If the combined value of such capital assets *exceeds* five percent of the total value of its assets (as determined from its latest available audited financial statements), a public participation process must be followed for each of the capital assets identified for transfer or disposal, irrespective of each capital asset's individual value.

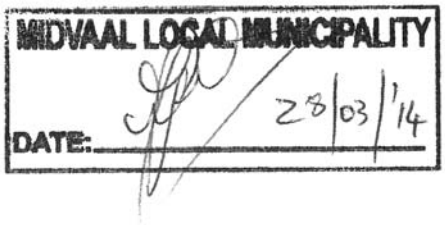
If the combined value of capital assets identified for transfer or disposal during the financial year *does not exceed* five percent of the total value of its assets, the municipality will have to assess whether each individual capital asset identified for

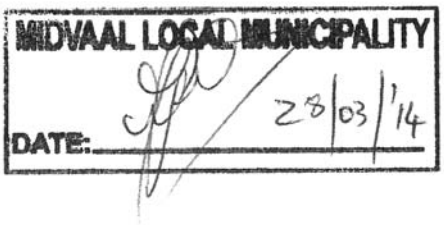
transfer or disposal in that particular year is a high value capital asset. For each high value capital asset a public participation process must be followed.

If it appears that any or all of the assets are "high value", Council must be approached to authorise the public participation process.

“High value” threshold relating to an *individual capital* asset is determined as the lower of the following:

- R50 million; or
- 1% of the total value of all capital assets of the municipality; or otherwise
- a value determined by Council, provided that the value is less than (a) or (b).





9.3 Exempted capital assets

An exempted capital asset is an asset exempted by sections 14(6) or 90(6) of the MFMA and regulation 20 from the rest of sections 14 and 90 as well as the SCM Regulations.

Exempted capital assets are assets transferred to another organ of state as a result of any of the following circumstances (regulation 20):

(a) a review by a municipality of its service delivery mechanisms for the performance of a municipal service in terms of Chapter 8 of the Municipal Systems Act (MSA), and the subsequent appointment of an organ of state to perform this service;

(b) a reorganisation of powers and functions between a parent municipality and its municipal entity;

(c) an assignment of any of the powers and functions of a municipality to another organ of state by national legislation or in terms of a power contained in national legislation;

(d) when municipal housing or land is transferred to a national or provincial organ of state for housing for the poor in terms of a national or provincial housing policy;

(e) when the transfer is required or permitted in terms of national legislation and that legislation determines the conditions of the transfer; or

(f) any other circumstance provided that the capital asset to be transferred to the organ of state is determined by resolution of the Council not to be needed to provide a minimum level of basic municipal service and is surplus to the requirements of the municipality and municipal entity.

9.4 Non-exempted capital assets

If the transfer or disposal is not the result of any of the above transactions, the asset to be transferred or disposed of will be considered to be a non-exempted capital asset where sections 14 and 90 of the MFMA and the SCM Regulations will apply. In these situations therefore:

- the municipality may not transfer or dispose of a capital asset deemed to be needed to provide a minimum level of basic municipal service;
- the municipality in making the decision as to whether an asset is required to provide a minimum level of basic municipal service, must make that decision and consider the fair market value, and economic and community value to be received for the asset at a meeting open to the public; and
- any transfer must be fair, equitable, transparent, competitive and consistent with the municipality's supply chain management policy.

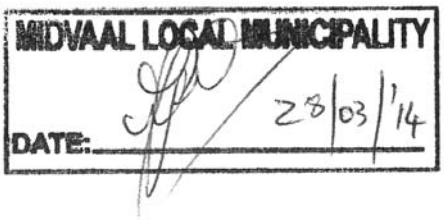
The requirement to hold a public meeting to consider the decision to transfer or dispose of a movable capital asset below a value determined by Council, may be delegated to the Accounting Officer (AO) to make a decision in some cases (section 14(4) of the MFMA). All transfers or disposals of this nature will be regulated by sections 14 and 90 of the MFMA and Chapter 2 of the ATR – 'Transfer and Permanent disposal of non-exempted capital assets'.

9.5 Subsidiary assets

A subsidiary asset is an asset that forms an important part of a capital asset, as well as an asset that forms part of the operation or maintenance of that capital asset.

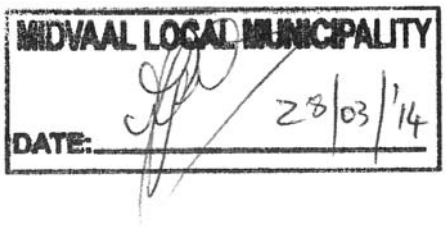
These assets are particularly relevant in the transfer of a service, power or function. In these instances, the ATR allow certain subsidiary assets to be transferred with the transfer of that service, power of function. The following subsidiary assets may be included in the transfer:

- movable and immovable assets used for or in connection with the service, power or function to be transferred (including investment property);
- intangible assets which are an integral part of that service, power or function;
- short and long-term receivables associated with that service, power or function; and
- investments, cash and bank balances or reserves derived from the performance of that service, power or function.



Subsidiary assets are always linked to the capital asset being transferred and therefore a municipality will not need to consider whether they should be regarded as high value or otherwise, they may be either – provided that their transfer comes as a result of the transfer of a service, power or function. If the capital asset to which the subsidiary asset is linked, is of high value, that the public consultation process on that capital asset must include consultation on all the subsidiary assets linked to that capital asset, to ensure transparency of the transaction as a whole.

If the transfer of the capital asset is classified as exempted, the transfer of the subsidiary asset is also exempted, if it is part of the same transaction.



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10. TRANSFER OR DISPOSAL OF A CAPITAL ASSET

10.1 Classification of capital assets

Capital assets are classified as either exempted or non-exempted capital assets, in terms of sections 14(6) or 90(6) of the MFMA and regulation 20 of the ATR, refer to 9.3 and 9.4 above.

Exempted capital assets are capital assets transferred to another organ of state as a result of any of the circumstances described in section 9.3 of this policy.

10.2 Non-exempted capital assets

Once the asset identified for transfer or disposal has been classified as a non-exempted capital asset, the municipality must consider whether the asset is a high value capital asset as described in section 9.2 of this policy.

10.2.1 High value capital asset

In the case where a high value capital asset forms part of a transfer or disposal of the appointment of a service provider to perform a municipal or commercial service in terms of regulation 12(2), sections 14(2) or 90(2) of the MFMA and regulation 5(1) prescribes that a public participation process should be undertaken as part of and concurrent with the process envisaged in regulation 12(2).

The public participation process may only be authorised by the Council, although any party may make a request to the Council that such a process be considered. The request must be submitted to the Council together with an information statement stating the following (regulation 5(3)(b)):

- the valuation of the asset;
- the method of valuation used to determine that value;
- the reasons for the proposal; and
- the benefits, proceeds and gain or loss that could be realized or incurred from the transfer or disposal.

Where Council has authorised the AO to conduct a public participations process, the AO of the municipality must at least 60 days before the Council meeting authorising the asset transfer or disposal:

- Make public the proposal and information statement, as described above, to all affected communities and interested parties;
- Invite all affected communities and interested parties to submit their comments and representations; and
- Request the views and recommendations for National Treasury on the matter.

After the public participation process, Council may at this point make the section 14(2) or 90(2) determinations, as stated below, and depending on the outcomes of these determinations, either not to transfer or dispose of the asset or to *approve in-principal* of the transfer or disposal of the asset.

In terms of section 14(2) or 90(2) of the MFMA the municipal Council must:

(a) reasonably decide (or confirm) that the asset is not needed to provide a minimum level of basic municipal service; and

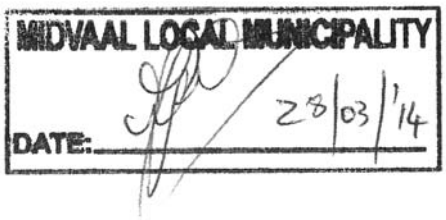
(b) consider the fair market and economic and community value to be received in exchange for the asset.

All transfers or disposals should be fair, equitable, transparent, competitive and consistent with the SCM policy of the municipality. This is however not applied in the case where the capital asset forms part of the appointment of a service provider to perform a municipal or commercial service in terms of regulation 12(2), refer to 10.2.5 of this policy).

SCM Regulation 40 states that:

(a) immovable property may be sold only at market related prices except when the public interest or plight of the poor demands otherwise; and

(b) movable assets may be sold either by way of written price quotations, a competitive bidding process, auction or at market related prices, whichever is the most advantageous to the municipality, etc.



In the case where the bids are well in excess of the fair market value or any other valuation method used by the municipality, the competitive process relies on the AO and bid committee to make a decision. Compensation received should be at the most advantageous to the municipality.

10.2.2 Not considered a high value capital asset

In the case where the asset is not considered to be high value, and the total value of asset transactions are not more than the 5% threshold value, as stated in 9.2 above, the municipal Council must follow the same considerations at a meeting open to the public as in the case of a high value capital asset transfer or disposal in terms of section 14(2) or 90(2) of the MFMA, as described in 10.2.1 above.

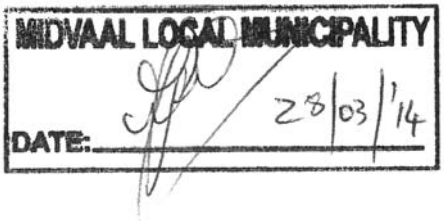
Such determinations are only necessary when the Council wishes to consider the transfer or disposal of the asset. It may resolve not to go ahead with the transfer or disposal without the need for a meeting open to the public.

If the asset is considered needed to provide a minimum level of basic municipal service, then that asset **cannot** be transferred or disposed of (regulations 5(1)(b), MFMA sections 14(2) and 90(2)).

10.2.3 Mandatory considerations

During the public meeting, before approving *in-principle* to either retain, transfer or dispose of the asset, the Council must first consider the following factors (regulation 5(1)(b) & 7), irrespective of whether a high value capital asset or not is under consideration:

- whether it may need the asset at a later date;
- expected gain or loss on transfer or disposal;
- compensation for the asset and if it will result in a cost or benefit;
- management of any risk;
- impact on its credit rating and ability to raise further borrowings in the future;
- limitations or conditions attached to the asset and the consequences of any potential non-compliance of those;
- cost of the proposed transfer or disposal;



- transfer of any liabilities and reserves associated with the capital asset;
- stakeholder comments and recommendations;
- the impact on its own strategic, legal and economic interests; and
- compliance with legislative regime applicable to the proposed transfer or disposal.

10.2.4 Apply discretionary conditions to the transfer or disposal of a non-exempted capital asset

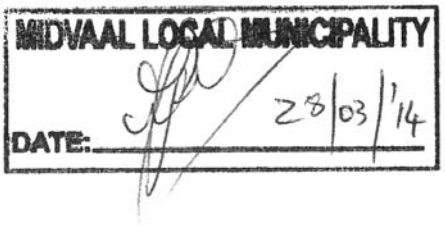
When the Council provides an *in-principle* decision that a non-exempted capital asset may be transferred or disposed of (irrespective of whether the transaction involves a high value capital asset or not), the Council *may impose* conditions on the transfer or disposal, including conditions to specify *(regulation 11)*:

- the way in which the asset is to be sold or disposed of (within the framework set by the SCM regulations);
- a floor price or minimum compensation;
- whether the asset can be transferred or disposed of for less than fair market value (subject to the Council first considering the regulation 13(2) criteria); and
- a framework in which direct negotiations with another person may apply, if relevant.

10.2.5 Transfer or disposal of the asset

The MFMA requires the actual transfer or disposal to be fair equitable, transparent, competitive and consistent with the SCM Regulations. Council only has an oversight role in this process to ensure that Council policy are implemented and no Councillor of any municipality may be a member of a municipal bid committee or any other committee evaluating or approving tenders, quotations, contracts or other bids or attend any such meeting as an observer. (Refer MFMA section 117).

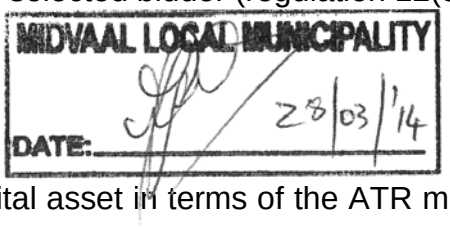
Once Council has approved the transfer or disposal, the municipality may commence proceedings to transfer or dispose of the asset – irrespective of the value of the asset or whether it is to be transferred to a private sector party or an organ of state, can only be done in accordance with its SCM policy.



In terms of regulation 12(2), there are two exceptions to the requirement that the actual transfer or disposal of the non-exempted capital asset be done in terms of a competitive process:

- when a municipality undertakes a review of service delivery mechanisms in terms of Chapter 8 of the MSA and a private sector party is selected; and
- when a municipality appoints a private sector party or organ of state to perform a commercial.

In these cases, provided that a competitive bidding process is used to appoint the service provider, a municipality may transfer the asset as part of the appointment of the service provider and negotiate directly with the selected bidder (regulation 12(3)).



10.2.6 Compensation payable

Compensation payable to a municipality for a capital asset in terms of the ATR must always be in line with the disposal management system, see SCM regulation 40 stated in 10.1.2 above.

If the transfer is the result of the transfer of a commercial service or the sale of immovable property such as land or buildings then compensation must reflect fair market value (regulation 13(1), SCM regulation 40(2)).

If movable assets such as plant or equipment are sold, they must be sold at a price most advantageous to the municipality or entity by way of written quotes, competitive bidding or auction or at market related prices (SCM regulation 40(2)).

Once the municipality received compensation relating to the transfer or disposal, the proceeds must be used to discharge any borrowings against the asset at its redemption date or at another date agreed between the municipality and the lender *(regulation 16)*.

Alternatively, the municipality may seek to negotiate with the private sector party or organ of state to which the asset is to be transferred, to take over any borrowings

made against the asset as part of the compensation payable, subject to the agreement of the lender.

This effectively means that any liability for borrowings taken out for an asset is removed once the municipality no longer has ownership of the asset. This precludes a municipality from having to service a debt for an asset it no longer owns.

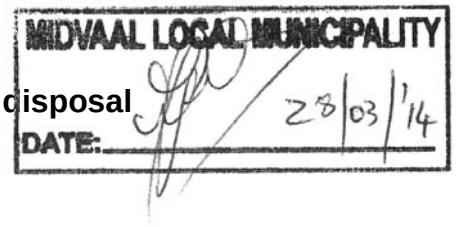
10.2.7 Finalise the asset transfer or disposal agreement

In accordance with regulation 17, a municipality may only transfer or dispose non-exempted capital assets approved for transfer or disposal, by way of a written agreement between the municipality and either private sector party or organ of state. The agreement must include the following:

- term and conditions of the transfer;
- details of the capital and subsidiary assets and liabilities to be transferred;
- compensation to be paid and the terms and conditions for payment; and
- the effective date in which risk and accountability for the assets are to be transferred.

10.3 Exempted capital assets

10.3.1 Considerations prior to the proposed transfer or disposal



The following considerations should be taken into account:

(a) Identify and distinguish all assets, staff and borrowings associated with the asset identified for transfer or disposal (regulations 23 and 26(1));

(b) Consider staff and staff liabilities associated with the assets identified to be transferred (regulation 27); and

(c) Whether the transfer is to another organ of state and circumstances of the transfer (regulations 20, refer to 9.3 above).

10.3.2 Mandatory conditions

Municipal capital assets needed to provide a minimum level of basic municipal services can only be transferred to an organ of state and in the circumstances

provided for in regulation 20, refer to 9.3 above, subject thereto that the transferee (organ of state) demonstrated its ability to adequately maintain and safeguard the asset.

Under these circumstances, the municipality must impose certain mandatory legislated conditions on the transfer and ensure that the transfer documentation contains these conditions.

Conditions that must be included are (regulation 24):

- that ownership of the asset must immediately revert back to the municipality if the organ of state receiving the asset (the transferee) ceases or is unable to render the service; and
- that the transferee cannot without the written approval of the municipality, transfer, dispose, grant a right of use or encumber that asset in any way.

These conditions must also apply to any replacement, upgrade or improvements to the original asset (regulation 24(1), (3) and (4)).

10.3.3 Based on the circumstances of the transfer, the appropriate conditions will apply

(a) Transfer arising from a review of service delivery mechanisms by a municipality

If the asset is needed to provide a minimum level of basic municipal service, the municipality must ensure it receives the required assurances and imposes the necessary conditions, refer to 10.3.2 above, to ensure that the asset will be adequately maintained and appropriately safeguarded (regulation 24).

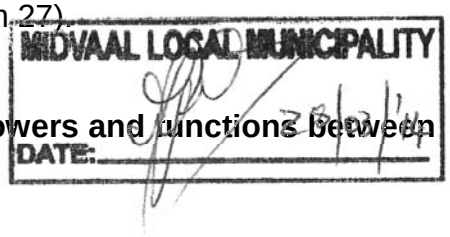
In all circumstances the municipality is responsible to ensure that the transfer or disposal will result in the continuance of the service to at least the same or better level than would otherwise have been provided by the municipality had it not transferred or disposed the asset (regulation 22(3)).

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The municipality may agree with the organ of state to transfer all capital and subsidiary assets that are essential to the performance of that service which in addition to all movable and immovable assets including intangible assets, receivables, investments and cash equal to the difference between the assets and liabilities of that particular service as well as any reserve funds (regulation 25).

Borrowings or other amounts owing by the municipality associated with the service must also be transferred (regulation 26(2)).

In the case where the transfer gives rise to the transfer of staff associated with that service, the staff transfer must be done in accordance with applicable labour legislation and legislation regulating the transfer of liabilities associated with such staff if applicable – such liabilities may include leave entitlements, medical, post-retirement liabilities and other staff liabilities (regulation 27).



(b) Transfer arising from a re-organization of powers and functions between a municipality and its municipal entity

Asset transfers resulting from a re-organization of powers and functions between a municipality and its municipal entity are treated in a similar manner to those transfers resulting from a municipality's full review of service delivery mechanisms in terms of Chapter 8 of the MSA, described in scenario (a) above.

Transfers resulting from a re-organisation of powers and functions between a municipality and its entity, will generally be regarded as being limited to asset transfers to parties owned by the municipality in a closed system of control.

Regulation 22(3) relating to continuity of service is not relevant in this instance, as this is implicit in the conduct of all powers, functions and services within the municipality.

Regulations 25 and 26(2), relating to the transfer of subsidiary assets and borrowings are not applicable to these transfers – the municipality must manage this

process in its own manner provided that it adheres to the principles in the regulations and other relevant legislation. Regulation 27 concerning staff transfers and liabilities associated with such staff remain relevant.

(c) Transfer arising from the assignment of a municipality's powers or functions to another organ of state

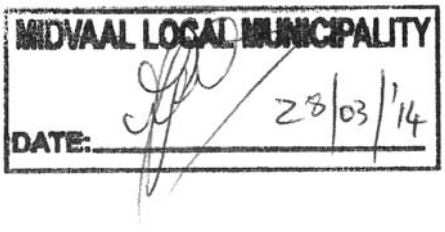
Asset transfers deriving from the assignment of certain municipal powers or functions to another organ of state, as a result of national legislation or in terms of a power contained in national legislation, are treated quite differently from the previous two scenarios.

Such transfers include situations such as the re-alignment of municipal boundaries or adding or taking away certain powers and functions of a municipality. This is normally done through national legislation such as the MSA or Municipal Demarcation Act (MDA) and supported by certain provincial legislation.

Regulation 24 conditions and assurance and regulations 22(3), described in scenario (a) above, are not relevant in this scenario, even if the transfer involves assets required to provide a minimum level of basic municipal services, as the transfer is initiated by the national government through legislation. It is anticipated that these factors were considered by the national department and the protection and service continuity will become the responsibility of the transferee (organ of state that is to receive the service).

Regulations 25, 26(2) and 27, refer to scenario (a) above, relating to subsidiary assets, borrowings and staff are applicable to these transfers may all be considered.

In the case where the asset transfer is a result of national legislation, thus an initiative of national government, a public participation process is not necessary. Therefore the provisions of regulation 22(1) are not relevant.



(d) Transfer of municipal land or housing for the poor in terms of the national or provincial policy

If a national or provincial policy on housing necessitates the transfer of municipal housing or land to a national or provincial organ of state for the poor, the provisions of regulations 22, 24, 25, 27 and 31 do not apply. As the transfer is limited to specific capital assets i.e. municipal housing and land, regulations that are pertinent to the transfer of a municipal service, power or function are no longer relevant, scenarios (a), (b) and (c) above.

The transfer of borrowings associated with the municipal land or housing will still apply to these transfers (regulation 26(1)).

(e) Transfer required or permitted by national legislation

Certain transfers will be the result of national legislation that specifies the conditions of the transfer, unlike transfer described in scenarios (a), (b) and (c) above where the transfer conditions are not stipulated.

In this scenario, the same conditions attached to the transfer of municipal land and housing for the poor, described in scenario (d) above, will be applicable.

(f) Other transfers to organs of state

A capital asset may be transferred to any organ of state in any other circumstances not referred to in the scenarios above, provided that it was determined that the asset is not needed to provide a minimum level of basic municipal service and is surplus to the requirements of the municipality by the municipal Council.

In these situations, only the requirements of regulation 26(1) relating to borrowings associated with the capital asset are relevant. The municipality may directly negotiate the compensation to be paid with the neighbouring municipality.

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The municipality must still properly identify and distinguish the assets (and staff if relevant) proposed to be transferred from other assets (and staff) of the municipality as required by regulation 23.

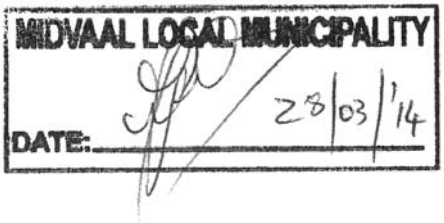
10.3.4 Compensation payable

Council should decide what is in the best interest of the municipality in the particular circumstances, taking into account the value the asset has for the municipality, any liabilities attached to it, etc. It is not necessarily a requirement that compensation is actually paid. Asset and liability values should be determined in accordance with the methods, refer to section 11 Valuation, below.

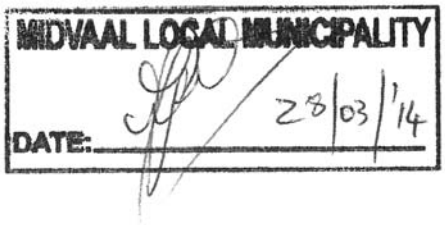
As the disposal management system of the municipality is not applicable to exempted transfers to organs of state, a municipality may choose to negotiate with the transferee the amount of compensation payable, subject to certain limitations on transfers for less than fair market value contemplated in regulation 20(1)(f), refer to 9.3 above. The amount of compensation payable and the terms and conditions for payment must be set out in the transfer agreement (regulation 30), refer to 10.3.5 below.

If the transfer is the result of any other transfer not contemplated in regulation 20(1)(a) to (e), refer to 9.3 above, for instance when a municipality chooses to sell or donate an exempted capital asset which is not required to provide a minimum level of basic municipal service and is surplus to requirements, to another organ of state for less than fair market value, it may only do so if the municipality takes into account the following matters as per regulation 20(1)(f)(ii):

- whether the capital asset may be required for the municipality at a later date;
- the expected loss or gain that is expected to result from the proposed transfer;
- the extent to which any compensation to be received in respect of the proposed transfer will result in a significant economic or financial cost or benefit for the municipality;



- the risk and rewards associated with the operation or control of the capital asset that is to be transferred in relation to the interest of the municipality;
- the effect that the proposed transfer will have on the ability of the municipality to raise long-term or short-term borrowings in the future;
- any limitations or conditions attached to the capital asset of the transfer of the asset, and the consequences of any potential non-compliance with those conditions;
- the estimated cost of the proposed transfer;
- the transfer of any reserve funds associated with the capital asset;
- the interests of any affected organ of state, the municipality's own strategic, legal and economic interests and the interests of the local community; and
- compliance with the legislative regime applicable to the proposed transfer.



10.3.5 Finalise asset transfer agreement

Before entering into the transfer agreement, the organ of state to whom the asset will be transferred must undertake and document an exercise in due diligence on the assets and liabilities to be transferred. The results of the due diligence must be taken into account in any transfer decision to be made by the organ of state (regulation 32).

All exempted capital asset transfers may only take place by way of a written transfer agreement, signed by both parties and must include the following:

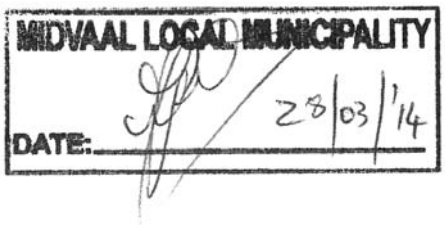
- the terms and conditions of the transfer;
- details of the capital and subsidiary assets and liabilities to be transferred (including valuation details and evidence to support the valuation, encumbrances, servitudes and rights of access requirements);
- compensation to be paid (if any) and the terms and conditions for payment;
- the effective date in which risk and accountability are to be transferred;
- details of any staff affected by the transfer – including details of staff that may be available to the organ of state on a temporary or defined basis, together with the compensation payable for such staff and any financial risk exposure to the municipality;

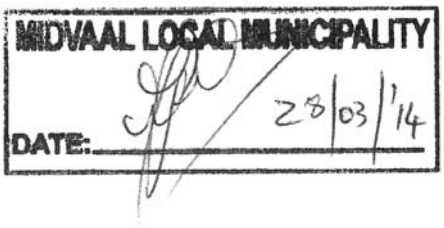
- if billing, information technology or other administrative systems are to be shared between the parties, the basis of that shared arrangement and any financial risk exposure to the municipality must also be defined and recorded; and
- where an asset is to be used by both the municipality and the organ of state, the basis of how the asset is to be shared as well as how the costs and benefits of the shared asset will be apportioned between the parties.

The transfer agreement must contain a separate clause that states that the transfer was affected on the basis of transfer of exempted capital assets as per the ATR, and that those provisions form part of the agreement (regulation 30(1) and (2)).

In the case of a transfer that emanates from a review of service delivery mechanisms when an organ of state is preferred, the transfer agreement must include provision for contract termination in case of non- or underperformance, dispute resolution and periodic review. It must also provide assurances that the organ of state is able to maintain and safeguard the asset.

The agreement may contain conditions imposed by the municipality that limit or restrict the use or subsequent transfer of the asset, and the extent that the asset may be used to provide security over any borrowings taken out by the organ of state. Such conditions may also be incorporated into the service delivery agreement (regulation 30(3)).





11. VALUATION

11.1 Valuation of assets

When a transfer or disposal of a capital asset is considered, the value of the asset should be determined in accordance with the applicable GRAP standards.

In the absence of guidelines through GRAP, any of the following valuation methods must be used:

- **depreciated replacement cost (DRC)**: this is the cost to replace the asset less depreciation to take account of the age and condition of the asset;
- **fair market value**: this is the value that would be agreed between a knowledgeable and willing buyer and a knowledgeable and willing seller;
- **historical cost, adjusted for depreciation and impairment**: this is the original purchase price less adjustments for depreciation and impairment;
- **realisable value:** this is the amount that could be obtained from the transfer less any transfer and completion costs.

11.2 Valuation of liabilities

When a liability specifically associated is to be transferred or disposed asset, the value of the liability must also be determined in accordance with the applicable GRAP standard the municipality applies in preparing its annual financial statements. Such calculations are only necessary where borrowings are transferred or disposed in terms of *exempted* capital asset transfers or disposals to other organs of state in the circumstances described in 9.3.

In the absence of guidelines through GRAP, any of the following valuation methods must be used:

- **settlement value**: the amount that will be paid or the value of the service that will be provided to settle the liability; or
- **net present value**: the value after discounting a future settlement value to a present value.

12. CALCULATION OF PROFIT AND LOSS ON DISPOSAL

Gain on disposal of asset (if proceeds are greater than carrying value)

Asset (cost)			
		Profit / loss	xx

Accumulated depreciation			
Profit / loss	xx		

Profit / Loss			
Asset (cost)	xx	Acc. Depr.	xx
Gain (P/L)	xx	Bank	xx

Bank / Debtors			
Profit / loss	xx		

Loss on disposal of asset (if proceeds are less than carrying value)

Asset (cost)			
		Profit / loss	xx

Accumulated depreciation			
Profit / loss	xx		

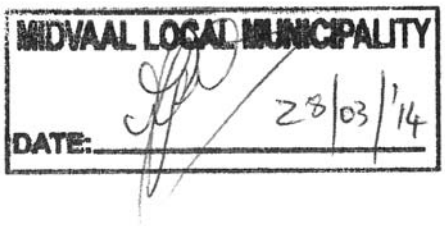
Profit / Loss			
Asset (cost)	xx	Acc. Depr.	xx
Bank	xx	Loss (P/L)	xx

Bank / Debtors			
		Profit / loss	xx

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13. POLICY IMPLEMENTATION

The policy will be effective as from 1 July 2014.



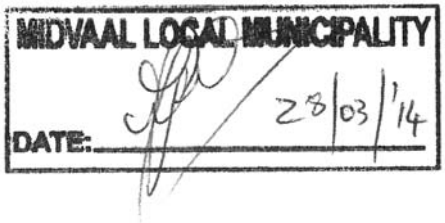
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MIDVAAL
LOCAL MUNICIPALITY

BUDGET IMPLEMENTATION AND MONITORING POLICY

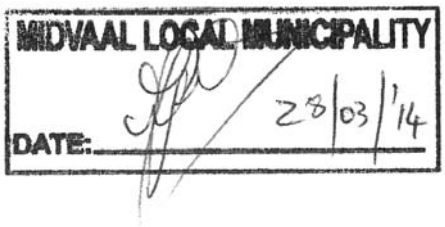
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ABBREVIATIONS

MLM	MIDVAAL LOCAL MUNICIPALITY
AO	Accounting Officer
ASB	Accounting Standards Board
CFO	Chief Financial Officer
HOD	Head of Department (Senior Manager)
IDP	Integrated Development Plan
MBRR	Municipal Budget and Reporting Regulations, 2008
MFMA	Municipal Finance Management Act
MTREF	Medium Term Revenue and Expenditure Framework
SCM	Supply Chain Management
VAT	Value Added Tax



1. PURPOSE OF THIS DOCUMENT

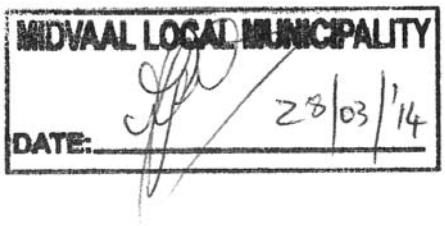
1.1 The objective of the budget policy is to set out:

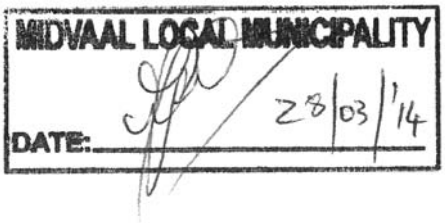
(a) The principles which the municipality will follow in preparing each medium term revenue and expenditure framework budget (MTREF);

(b) The responsibilities of the mayor, the accounting officer, the chief financial officer and other senior managers in compiling the budget;

(c) To control and inform the basis, format and information included in the Budget documentation; and

(d) To establish and maintain procedures to ensure adherence to the Municipality's IDP review and budget processes.





2. DEFINITIONS

In this Budget Implementation Policy, unless the context otherwise indicates, a word or expression to which a meaning has been assigned in the Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003), has the meaning so assigned, and:

"Accounting Officer"- means the Municipal Manager;

“Allocation", means-

- a municipality's share of the local government's equitable share referred to in section 214(l) (a) of the Constitution;
- an allocation of money to a municipality in terms of section 214(1) (c) of the Constitution;
- an allocation of money to a municipality in terms of a provincial budget; or
- any other allocation of money to a municipality by an organ of state, including by another municipality, otherwise than in compliance with a commercial or other business transaction;

"Annual Division of Revenue Act" means the Act of Parliament, which must be enacted annually in terms of section 214 (1) of the Constitution;

"Approved budget,” means an annual budget-

- approved by a municipal council, or
- includes such an annual budget as revised by an adjustments budget in terms of section 28 of the MFMA;

“Basic Municipal Service" means a municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provided, would endanger public health or safety or the environment;

- "Budget-related Policy" means a policy of a municipality affecting or affected by the annual budget of the municipality, including-
- the tariffs policy, which the municipality must adopt in terms of section 74 of the Municipal Systems Act;

- the rates policy which the municipality must adopt in terms of legislation regulating municipal property rates; or
- the credit control and debt collection policy, which the municipality must adopt in terms of section 96 of the Municipal Systems Act;

"Budget transfer" means transfer of funding within a function / vote.

"Budget Year" means the financial year of the municipality for which an annual budget is to be approved in terms of section 16(1) of the MFMA;

“Chief Financial Officer” means a person designated in terms of section 80(2) (a) of the MFMA;

“Councillor” means a member of a municipal council;

"Creditor", means a person to whom money is owed by the municipality;

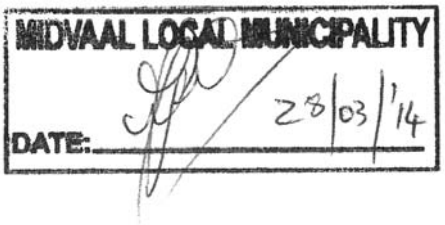
"Current year" means the financial year, which has already commenced, but not yet ended;

"Delegation", in relation to a duty, includes an instruction or request to perform or to assist in performing the duty;

"Financial recovery plan" means a plan prepared in terms of section 141 of the MFMA;

"Financial statements", means statements consisting of at least-

- a statement of financial position;
- a statement of financial performance;
- a cash-flow statement;
- any other statements that may be prescribed; and
- any notes to these statements;



"Financial year" means a twelve months period commencing on 1 July and ending on 30 June each year;

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"Financing agreement" includes any loan agreement, lease, and instalment purchase contract or hire purchase arrangement under which a municipality undertakes to repay a long-term debt over a period of time;

"Fruitless and wasteful expenditure" means expenditure that was made in vain and would have been avoided had reasonable care been exercised;

"Irregular expenditure", means-

- expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the MFMA Act, and which has not been condoned in terms of section 170 of the MFMA;
- expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the Municipal Systems Act, and which has not been condoned in terms of that Act;
- expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the Public Office-Bearers Act, 1998 (Act No. 20 of 1998); or
- expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the supply chain management policy of the municipality or entity or any of the municipality's by-laws giving effect to such policy, and which has not been condoned in terms of such policy or by-law, but excludes expenditure by a municipality which falls within the definition of "unauthorised expenditure";

"Investment", in relation to funds of a municipality, means-

- the placing on deposit of funds of a municipality with a financial institution; or
- the acquisition of assets with funds of a municipality not immediately required, with the primary aim of preserving those funds;

"Lender", means a person who provides debt finance to a municipality;

"**Local community**" has the meaning assigned to it in section 1 of the Municipal Systems Act;

“Long-term debt" means debt repayable over a period exceeding one year;

"Municipal Structures Act" means the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998);

"Municipal Systems Act" means the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000);

"Mayor" means the councillor elected as the mayor of the municipality in terms of section 55 of the Municipal Structures Act;

"Municipal council" or "council" means the council of a municipality referred to in section 18 of the Municipal Structures Act;

"Municipal debt instrument" means any note, bond, debenture or other evidence of indebtedness issued by a municipality, including dematerialised or electronic evidence of indebtedness intended to be used in trade;

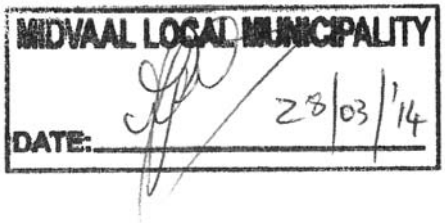
"Municipality"-

- when referred to as a corporate body, means a municipality as described in section 2 of the Municipal Systems Act; or
- when referred to as a geographic area, means a municipal area determined in terms of the Local Government: Municipal Demarcation Act, 1998 (Act No. 27 of 1998);

"Municipal service" has the meaning assigned to it in section 1 of the Municipal Systems Act (refer to the MSA for definition);

"Municipal tariff" means a tariff for services which a municipality may set for the provision of a service to the local community, and includes a surcharge on such tariff;

"Municipal tax" means property rates or other taxes, levies or duties that a municipality may impose;



"National Treasury" means the National Treasury established by section 5 of the Public Finance Management Act;

"Official", means-

- an employee of a municipality;
- a person seconded to a municipality to work as a member of the staff of the municipality or
- a person contracted by a municipality to work as a member of the staff of the municipality or municipal entity otherwise than as an employee;

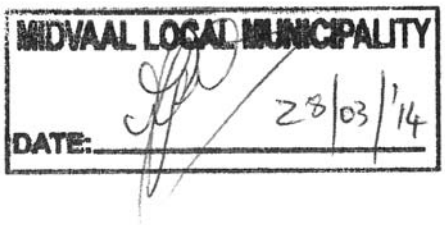
"Overspending"-

- means causing the operational or capital expenditure incurred by the municipality during a financial year to exceed the total amount appropriated in that year's budget for its operational or capital expenditure, as the case may be;
- in relation to a vote, means causing expenditure under the vote to exceed the amount appropriated for that vote; or
- in relation to expenditure under section 26 of the MFMA, means causing expenditure under that section to exceed the limits allowed in subsection (5) of this section;

"Past financial year" means the financial year preceding the current year;

"Quarter" means any of the following periods in a financial year:

- 1 July to 30 September;
- 1 October to 31 December;
- 1 January to 31 March; or
- 1 April to 30 June;



"Service delivery and budget implementation plan" means a detailed plan approved by the mayor of a municipality in terms of section 53(l)(c)(ii) of the MFMA for implementing the municipality's delivery of municipal services and its annual budget, and which must indicate-

- projections for each month of-
- revenue to be collected, by source; and
- operational and capital expenditure, by vote;

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- service delivery targets and performance indicators for each quarter; and
- capital budget broken down per ward
- any other matters that may be prescribed, and includes any revisions of such plan by the mayor in terms of section 54(l) of the MFMA.

"Short-term debt" means debt repayable over a period not exceeding one year;

"Standards of generally recognised accounting practice," means an accounting practice complying with standards applicable to municipalities or municipal entities as determined by the Accounting Standards Board (GRAP);

"Unauthorised expenditure", means any expenditure incurred by a municipality otherwise than in accordance with section 15 or 11(3) of the MFMA, and includes-

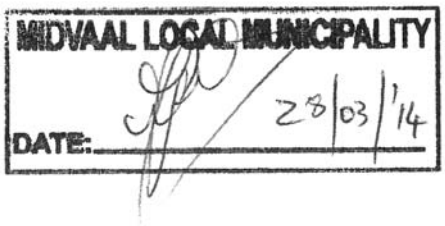
- overspending of the total amount appropriated in the municipality's approved budget;
- overspending of the total amount appropriated for a vote in the approved budget;
- expenditure from a vote unrelated to the department or functional area covered by the vote;
- expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose;
- spending of an allocation referred to in paragraph (ii), (iii) or (iv) of the definition of "allocation" otherwise than in accordance with any conditions of the allocation; or
- a grant by the municipality otherwise than in accordance with the MFMA; "virement" means transfer of funds between functions / votes.

"Vote" means-

- one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and
- which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.

In this document unless the context otherwise indicates, words and expressions denoting the singular shall include the plural and vice versa, words and expressions denoting the male sex

shall include the female sex and vice versa and reference to a natural person shall include a legal person and vice versa.

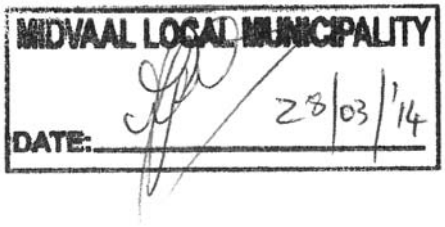


3. BUDGETING PRINCIPLES

The municipality shall not budget for a deficit and should also ensure that revenue projections in the budget are realistic taking into account actual collection levels.

Expenses may only be incurred in terms of the approved annual budget (or adjustments budget) and within the limits of the amounts appropriated for each vote in the approved budget.

Municipality shall prepare a multi-year budget (three year) – medium term revenue and expenditure framework (MTREF)) and that be reviewed annually and approved by Council.



4. BUDGETING PROCESS

4.1 Planning for the preparation of the budget

4.1.1 The Accounting Officer with the assistance of the Chief Financial Officer and the Executive Director Development & Planning shall draft the IDP process plan as well as the budget timetable for the municipality including municipal entities for the ensuing financial year.

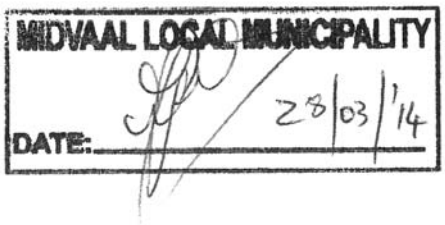
4.1.2 The mayor shall table the IDP process plan as well as the budget timetable to Council by 31 August each year for approval (10 months before the start of the next budget year).

4.1.3 IDP process plan as well as the budget timetable shall indicate the key deadlines for the review of the IDP as well as the preparation of the medium term revenue and expenditure framework (MTREF) budget and the revision of the annual budget. Such target dates shall follow the prescriptions of the Municipal Finance Management Act as well as the guidelines set by National Treasury.

4.1.4 The mayor shall convene a strategic workshop with the senior managers in order to determine the IDP priorities which will form the basis for the preparation of the MTREF budget taking into account the financial and political pressures facing the municipality. The mayor shall table the IDP priorities with the draft budget to Council.

4.1.5 The Mayor shall table the Draft IDP and MTREF budget to council by 31 March (90 days before the start of the new budget year) together with the draft resolutions and budget related policies (policies on tariff setting, credit control, debt collection, indigents, investment and cash management, borrowings, etc.).

4.1.6 The Chief Financial Officer and senior managers undertake the technical preparation of the budget including:-



4.1.6.1 Review past performance;

4.1.6.2 Prepare initial preview assumptions;

4.1.6.3 Analyse past revenue trends and develop initial projections;

4.1.6.4 Prepare the IDP and make necessary revisions;

4.1.6.5 Prepare initial budget scenarios:-

(a) The budget must be in the prescribed format, and must be divided into capital and operating budget.

(b) The budget must reflect the realistically expected revenues and expenditure by major source for the budget year concerned; and

(c) Estimated revenue and expenditure by vote for the budget year; and

4.1.7 In terms of the MFMA Budget and Reporting Regulations, the Mayor must establish a budget steering committee to provide technical assistance to him / her in discharging his / her responsibilities set out in section 53 of the MFMA.

The minimum membership requirements of a budget steering committee as per MFMA are the following:

- Councillor responsible for financial matters
- Municipal Manager
- Chief Financial Officer
- Senior Managers responsible for at least the three largest votes in the municipality
- The Manager responsible for Budgeting
- The Manager responsible for Planning
- Any Technical Experts on Infrastructure

The Mayor will, on an annual basis, establish a steering committee.

Annexure A provides an outline of the budget activities, timeframes and responsibilities.

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4.2 Public participation process

4.2.1 During the consultation process administration should consult with political executive; and

4.2.2 Immediately after the draft annual budget has been tabled, the municipality must convene hearings on the draft budget in April and invite the public and stakeholder organisations, to make representation at the council hearings and to submit comments in response to the draft budget.

4.3 Approval of the budget

4.3.1 Council shall consider the next medium term expenditure framework budget for approval not later than 31 May (30 days before the start of the budget year);

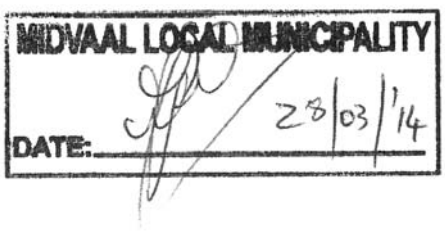
4.3.2 The council resolution, must contain budget policies and performance measures be adopted; and

4.3.3 Should the municipality fail to approve the budget before the start of the budget year, the mayor must inform the MEC for Finance that the budget has not been approved.

4.4 Publication of the budget

4.4.1 Within 14 days after the draft annual budget has been tabled, the Executive Director Corporate Services must post the budget and other budget-related documentation onto the municipal website so that it is accessible to the public as well as send hard copies to National and Provincial Treasury; and

4.4.2 The Chief Financial Officer must within 14 days submit the approved budget in both printed and electronic formats to the National Treasury, the Provincial Treasury as well as post it on the municipal website.



5. CONTENTS OF THE BUDGET

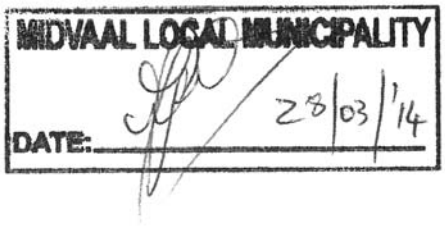
The budget consist of the following key elements:

5.1 Mayor's Report

5.2 Council Resolutions

5.3 The Council approves and adopts: -

5.3.1 Budget set out in various tables;
5.3.2 by standard classification;
5.3.3 by municipal vote;
5.3.4 by source and expenditure by type;
5.3.5 Policies; and
5.3.6 Tariffs.



5.4 Executive Summary

5.4.1 Operating Revenue Framework

5.4.1.1 Property Rates ;
5.4.1.2 Sale of Water and Impact of Tariff Increases;
5.4.1.3 Sale of Electricity and Impact of Tariff Increases;
5.4.1.4 Sanitation and Impact of Tariff Increases;
5.4.1.5 Waste Removal and Impact of Tariff Increases; and
5.4.1.6 Overall impact of tariff increases on households.

5.4.2 Operating Expenditure Framework

5.4.2.1 Main operational expenditure categories;
5.4.2.2 Priority areas i.e. repairs and maintenance; and
5.4.2.3 Free Basic Services: Basic Social Services Package.

5.4.3 Capital expenditure

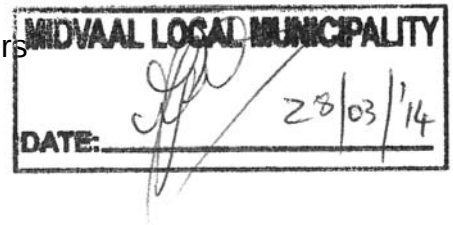
5.4.3.1 IDP Reference
5.4.3.2 Highlighted projects where major investment in Capex is made
5.4.3.3 Future operational cost of new infrastructure

5.5 Supporting Documentation

5.5.1 Budget Process Overview

5.5.1.1 IDP and Service Delivery and Budget Implementation Plan
5.5.1.2 Financial Modelling and Key Planning Drivers
5.5.1.3 Community Consultation
5.5.1.4 Overview of alignment of annual budget with IDP

5.5.2 Measurable performance objectives and indicators



5.5.3 Overview of budget related-policies

5.5.4 Monthly revenue cash flow projections by month

5.5.5 IDP amendments

5.5.6 Amendments to Budget related policies

5.5.7 Details of investments

5.5.8 Municipal entities – new and existing

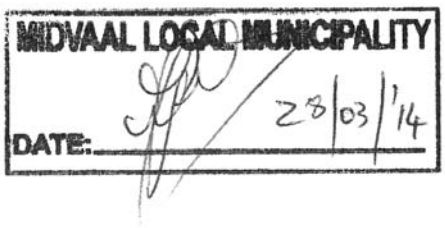
5.5.9 Proposed service delivery agreements

5.5.10 Grants to external bodies

5.5.11 Contracts having future budgetary implications

5.5.12 Capital expenditure details

5.5.13 Legislation compliance status



5.5.14 Salary, allowances and benefits of:

5.5.14.1 Councillors
5.5.14.2 MM, CFO and senior managers
5.5.14.3 Entities Managers and senior officials

5.5.15 Overview of budget assumptions

5.5.15.1 External factors
5.5.15.2 General inflation outlook and its impact on the municipal activities
5.5.15.3 Credit rating outlook
5.5.15.4 Interest rates for borrowing and investment of funds
5.5.15.5 Collection rate for revenue services
5.5.15.6 Growth or decline in tax base of the municipality
5.5.15.7 Salary increases
5.5.15.8 Impact of national, provincial and local policies
5.5.15.9 Ability of the municipality to spend and deliver on the programmes; and

5.5.16 Municipal manager’s quality certificate

6. OPERATING BUDGET

6.1 The municipality shall budget in each annual and adjustments budget for the contribution to:

6.1.1 provision for accrued leave entitlements equal to 100% of the accrued leave

6.1.2 provision for bad debts in accordance with its collection rates

6.1.3 provision for the obsolescence and deterioration of stock

6.1.4 Depreciation and finance charges shall be charged to or apportioned only between the departments or votes to which the projects relate.

6.1.5 A sufficient proportion of the operating budget component of each annual and adjustments budget shall be set aside for maintenance in accordance with the asset maintenance plans of the Municipalities.

6.2 When considering the draft annual budget, council shall consider the impact, which the proposed increases in rates and service tariffs will have on the monthly municipal accounts of households.

6.3 The impact of such increases shall be assessed on the basis of a fair sample of randomly selected accounts.

6.4 The operating budget shall reflect the impact of the capital component on:

6.4.1 depreciation charges

6.4.2 repairs and maintenance expenses

6.4.3 interest payable on external borrowings

6.4.4 other operating expenses.

6.5 The chief financial officer shall ensure that the cost of indigency relief is separately reflected in the appropriate votes.

MIDVAAL LOCAL MUNICIPALITY
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7. CAPITAL BUDGET

7.1 Expenditure of a project shall be included in the capital budget if it meets the asset definition and has a useful life in excess of one year.

7.2 Vehicle replacement shall be done in terms of Council's vehicle replacement policy. The budget for vehicles shall distinguish between replacement and new vehicles. No globular amounts shall be budgeted for vehicle acquisition.

7.3 A municipality may spend money on a capital project only if the money for the project has been appropriated in the capital budget.

7.4 The envisaged sources of funding for the capital budget must be properly considered and the Council must be satisfied that this funding is available and has not been committed for other purposes.

7.5 Before approving a capital project, the Council must consider:

7.5.1 the projected cost of the project over all the ensuing financial years until the project becomes operational,

7.5.2 future operational costs and any revenues, which may arise in respect of such project, including the likely future impact on operating budget (i.e. on property rates and service tariffs).

7.5.3 the impact on the present and future operating budgets of the municipality in relation to finance charges to be incurred on external loans,

7.5.4 depreciation of fixed assets,

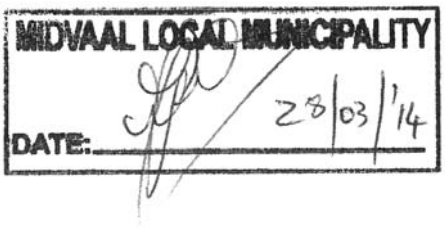
7.5.5 maintenance of fixed assets, and

7.5.6 any other ordinary operational expenses associated with any item on such capital budget.

7.6 Council shall approve the annual or adjustment capital budget only if it has been properly balanced and fully funded.

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8. FUNDING OF THE BUDGET



8.1 Operational Budget

The operational budget can only be funded from –

8.1.1 Realistically expected revenues.

8.1.1.1 Based on collection levels to date

8.1.1.2 Actual revenue collected in previous financial years

8.1.2 Uncommitted accumulated surpluses to the extent that the surpluses are cash backed.

8.2 Capital Budget

8.2.1 Revenue or Surplus

8.2.1.1 If any project is to be financed from revenue this financing must be included in the cash budget to raise sufficient cash for the expenditure.

8.2.1.2 If the project is to be financed from surplus there must be sufficient cash available at time of execution of the project.

8.2.2 External loans

8.2.2.1 External loans can be raised only if it is linked to the financing of an asset;

8.2.2.2 A capital project to be financed from an external loan can only be included in the budget if the loan has been secured or if can be reasonably assumed as being secured;

8.2.2.3 The loan redemption period should not exceed the estimated life expectancy of the asset. If this happens the interest payable on the excess redemption period shall be declared as fruitless expenditure;

8.2.2.4 Interest payable on external loans shall be included as a cost in the expenditure budget;

8.2.2.5 Finance charges relating to such loans shall be charged to or apportioned only between the departments or votes to which the projects relate.

8.2.3 Capital Replacement Reserve (CRR)

8.2.3.1 Council shall establish a CRR for the purpose of financing capital projects and the acquisition of assets. Such reserve shall be established from the following sources of revenue:

- unappropriated cash-backed surpluses to the extent that such surpluses are not required for operational purposes;
- additional amounts appropriated as contributions in each annual or adjustments budget; and
- Sale of land and profit or loss on the sale of assets.

8.2.3.2 Before any asset can be financed from the CRR the financing must be available within the reserve and available as cash as this fund must be cash backed;

8.2.3.3 If there is insufficient cash available to fund the CRR this reserve fund must then be adjusted to equal the available cash;

8.2.3.4 Transfers to the CRR must be budgeted for in the cash budget;

8.2.4 Grant Funding

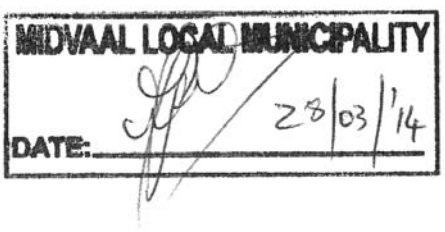
8.2.4.1 Non capital expenditure funded from grants

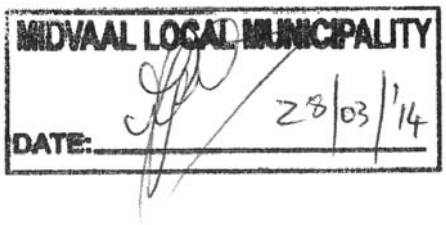
- must be budgeted for as part of the expenditure budget;
- Expenditure must be reimbursed from the funding creditor and transferred to the operating and must be budgeted for as such.

8.2.4.2 Capital expenditure must be budgeted for in the capital budget;

8.2.4.3 Interest earned on investments of Conditional Grant Funding shall be capitalised if the conditions state that interest should accumulate in the fund. If there is no condition stated the interest can then be allocated directly to the revenue accounts.

8.2.4.4 Grant funding does not need to be cash backed at the time of budget approval, but cash should be secured before spending can take place.





8.3 Unspent Funds / Roll over of Budget

8.3.1 The appropriation of funds in an annual or adjustments budget will lapse to the extent that they are unspent by the end of the relevant budget year, but except for funds relating to capital expenditure.

8.3.2 Only unspent grant (if the conditions for such grant funding allows that) or loan funded capital budget may be rolled over to the next budget year.

8.3.3 Conditions of the grant fund shall be taken into account in applying for such roll over of funds.

8.3.4 In order to apply for a rollover of unspent conditional grants the following must be submitted to National Treasury:

8.3.4.1 Municipalities must submit their June conditional grant expenditure reports according to section 71 of MFMA reflecting all accrued expenditure on conditional grants;

8.3.4.2 Submit the pre-audited AFS indicating the portion of each national conditional allocation it received which remained unspent as at 30 June;

8.3.4.3 Formal letter addressed to the National Treasury requesting the rollover of unspent conditional grants in terms of section 21(2) of the of DoRA

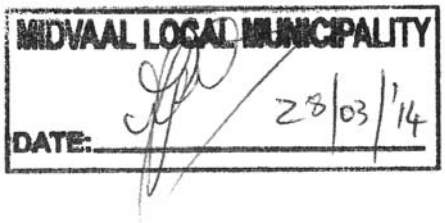
8.3.4.4 Motivation of Commitment:

a. Evidence that work on each of the projects has commenced, namely either of the following:
 - Proof that the project tender was published and the period for tender submissions closed before 30 June; or
 - Proof that a contract for delivery of the project was signed before 30 June.
b. A progress report on the state of implementation of each of the projects;
c. The amount of funds committed to each project, and the conditional allocation from which the funds come;
d. An indication of the time-period within which the funds are to be spent.

8.3.5 Adjustments to the rolled over budget shall be done during the 1st Adjustments budget in the new financial year after taking into account expenditure up to the end of the previous financial year.

8.3.6 No funding for projects funded from the Capital Replacement Reserve shall be rolled over to the next budget year except in cases where a commitment has been made 90 days (30 March each year) prior the end of that particular financial year.

8.3.7 No unspent operating budget shall be rolled over to the next budget year



9. VIREMENTS

Virements represents a flexible mechanism to affect budgetary amendments within a municipal financial year, and is the major mechanism to align and take corrective (financial / budgetary) action within a Directorate (Vote) or functional area during a financial year.

9.1 Virement procedure requirements and restrictions

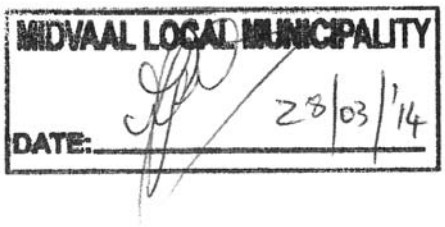
9.1.1 In order for a “vote” to transfer funds from one cost element, operating or capital project to another cost element, operating or capital project, a saving has to be identified within the monetary limitations of an identified cost element, operating or capital project allocations on the respective budgets.

9.1.2 Sufficient, budgetary provision should be available within the “giving” vote’s cost element or capital project concerned to give effect to the budgetary transfer (virement). In addition, the transferring function must clearly indicate to which cost element operating, or capital project the budget provision will be transferred to and provide a clear motivation for the transfer.

9.1.3 Any budgetary amendment of which the net impact will be a change to the total approved annual budget allocation and any other amendments not covered in this policy are to be considered for budgetary adoption via an Adjustments Budget (per MFMA Section 28).

9.1.4 In terms of Section 17 of the MFMA a Municipality’s budget is divided into an operating and capital budget and consequently no virements are permitted between Operating and Capital Budgets other than through an Adjustments Budget.

9.1.5 A virement may not create new policy, significantly vary current policy, or alter the approved outcomes / outputs as approved in the IDP for the current or subsequent years (MFMA Sections 19 and 21).

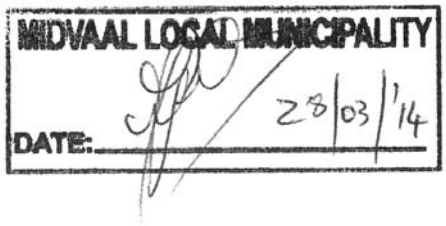


9.1.6 Virements resulting in adjustments to the approved SDBIP need to be submitted with an Adjustments Budget to the Council with revised targets and indicators for approval. (MFMA Circular 13).

9.1.7 No virement may commit the Municipality to increase recurrent expenditure, which commits the Council's resources in the following financial year, without the prior approval of the Council. This refers to expenditures such as entering into multi-year lease or rental agreements for the leasing of vehicles, photo copiers or fax machines.

9.1.8 No virement may be made to cover/ allow for unauthorised, irregular or fruitless and wasteful expenditure (MFMA Section 32).

9.1.9 All virements should be approved in line with the Council's System of delegations.



9.2 Operating and Capital Budget Virements

9.2.1 Virements from the following are not permitted: debt impairment, depreciation and revenue forgone;

9.2.2 Virements of conditional grant funds to purposes outside of that specified in the relevant conditional grant framework must not be permitted.

9.2.3 Only virements between existing projects approved by Council and within the same vote will be permitted.

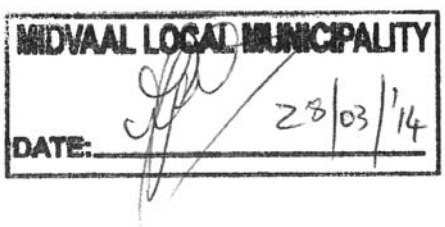
9.2.4 Motivations for virements between projects should clearly state the reason for the saving within the “giving” project, as well as the reason for the additional amount required.

9.2.5 No virements, of which the affect will be to add “new” projects onto the Capital Budget, will be allowed.

9.2.6 Virements in capital budget allocations are only permitted within funding sources.

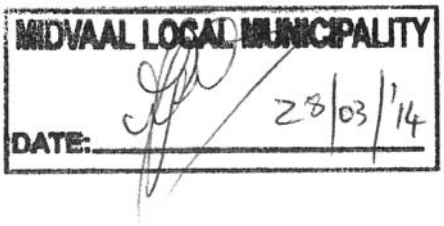
9.3 Reporting

A monthly report, indicating all virements affected have to be compiled and submitted to Council for monitoring (as part of the section 71 report).



10. ADJUSTMENT BUDGET

The MFMA 28(2) recognises that there will be instances where unforeseen and unavoidable expenditure is required, as well as other circumstances which could necessitate the submission of an Adjustments Budget:



It is compulsory to prepare an adjustments budget:-

10.1 when there is an under collection of revenue

10.2 when a downwards adjustment of revenue and expenditure is required

The MFMA also recognises that a voluntary adjustment budget can be prepared as a result of the following:-

10.3 Over-collection of revenue – to support existing budgeted programmes (MFMA 28(2) (b) to be submitted after midyear performance assessment and before 28 February.

10.4 Unforeseen and unavoidable expenditure recommended by the Mayor (will be a prescribed framework) (MFMA 28(2) (c) must be reported to Council at its next meeting and be included in adjustments budget within 60 days of expenditure being incurred.

10.5 May authorise the utilisation of projected savings in one vote (MFMA 28(2) (d) towards spending in another vote.

10.6 Under spending in prior financial year - if unforeseen (MFMA 28(2) (e) should be completed after year end but before 25 August.

10.7 Correct errors (MFMA 28(2) (f) to be submitted after midyear performance assessment and before 28 February.

10.8 To ratify unauthorised expenditure and any other expenditure within a prescribed framework in terms of Unauthorised Expenditure the Municipality may submit a Special Adjustments Budget when submitting the Annual Report for consideration.

10.9 When an adjustments budget is tabled, it must be accompanied by—

- an explanation how the adjustments budget affects the annual budget;
- a motivation of any material changes to the annual budget;
- an explanation of the impact of any increased spending on the annual budget and the annual budgets for the next two financial years; and
- any other supporting documentation that may be prescribed.

10.10 The Municipality may not change tax and tariffs unless in terms of a financial recovery plan.

10.11 Formats of adjustments budget

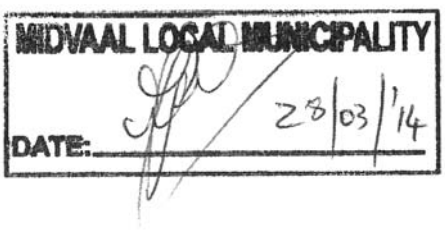
An adjustment budget and supporting documentation of a municipality must be in a the format specified in Schedule B of the MBRR and include all the required tables, charts and explanatory information, in view of any guidelines issued by National Treasury

10.12 Funding of adjustment budgets

An adjustments budget of a municipality must be suitably funded. The supportive documentation to accompany an adjustments budget in terms of section 28(5) of the MFMA must contain an explanation of how the adjustments budget is funded.

10.13 Submission of tabled adjustments budgets

The municipal manager must comply with section28(7) of the MFMA together with section 22(b)(i) of the MFMA, within ten working days after mayor has tabled an adjustments budget in the municipal council. When submitting the tabled adjustments budget to National Treasury and relevant provincial treasury in terms of section 28(7) of the MFMA, municipal manager must submit in both printed and electronic.



10.14 Approval of adjustments budgets

The municipal council must consider the full consequences, fiscal or otherwise, of the adjustments budget and supporting documentation. When approving an adjustments budget, municipal council must consider and adopt separate resolutions dealing with each of the matters listed below:

10.14.1 Approval of the adjustment budget;

10.14.2 Approval of any adjustments permitted in terms of section 28(2) of the MFMA;

10.14.3 Approval of the transfer of funds to a separate bank account for purpose contemplated in section 12 of the MFMA;

10.14.4 Approval of revisions to the monthly and quarterly service delivery targets and performance indicators in the service delivery and budget implementation plan, if any, to correspond with the approval of the adjustments budget;

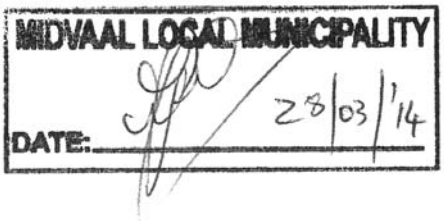
10.14.5 Approval of any amendments to budget related policies necessitated by the adjustments budget.

10.15 Quality Certification

When an adjustment budget and supporting documentation is tabled in council, made public or submitted to another organ of state, it must be accompanied by a quality certificate complying with Schedule B and signed by the municipal manager.

10.16 Publication of approved adjustment budgets

Within five working days after the municipal council has approved an adjustments budget, the municipal manager must in agreement with section 21(A) of the Municipal System Act make public that approved adjustments budget and supporting documentation, as well as the resolution referred to in item 4, Schedule B, resolutions.



11. BUDGET IMPLEMENTATION

11.1 Monitoring

11.1.1 The accounting officer with the assistance of the chief financial officer and other senior managers is responsible for the implementation of the budget, and must take reasonable steps to ensure that:

- funds are spent in accordance with the budget;
- expenses are reduced if expected revenues are less than projected; and
- revenues and expenses are properly monitored.

11.1.2 The Accounting officer with the assistance of the chief financial officer must prepare any adjustments budget when such budget is necessary and submit it to the Mayor for consideration and tabling to Council.

11.1.3 The Accounting officer must report in writing to the Council any impending shortfalls in the annual revenue budget, as well as any impending overspending, together with the steps taken to prevent or rectify these problems.

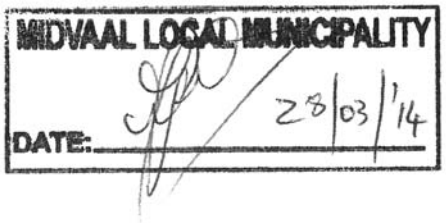
11.2 Reporting

11.2.1 Monthly budget statements

The accounting officer with the assistance of the chief financial officer must, not later than ten working days after the end of each calendar month, submit to the Mayor and Provincial and National Treasury a report in the prescribed format on the state of the municipality's budget for such calendar month, as well as on the state of the budget cumulatively for the financial year to date.

This report must reflect the following:

- actual revenues per source, compared with budgeted revenues;
- actual expenses per vote, compared with budgeted expenses;
- actual capital expenditure per vote, compared with budgeted expenses;
- actual borrowings, compared with the borrowings envisaged to fund the capital budget;
- the amount of allocations received, compared with the budgeted amount;
- actual expenses against allocations, but excluding expenses in respect of the equitable share;



- explanations of any material variances between the actual revenues and expenses as indicated above and the projected revenues by source and expenses by vote as set out in the service delivery and budget implementation plan;
- the remedial or corrective steps to be taken to ensure that the relevant projections remain within the approved or revised budget; and
- projections of the revenues and expenses for the remainder of the financial year,
- The report to the National Treasury must be both in electronic format and in a signed written document

11.2.2 Quarterly reports

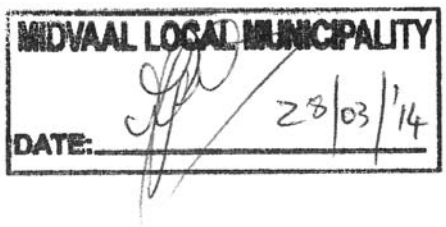
The Mayor must submit to Council within thirty days of the end of each quarter a report on the implementation of the budget and the financial state of affairs of the municipality

11.2.3 Mid-year budget and performance assessment

The Accounting officer must assess the budgetary performance of the municipality for the first half of the financial year, taking into account all the monthly budget reports for the first six months, the service delivery performance of the municipality as against the service delivery targets and performance indicators which were set in the service delivery and budget implementation plan.

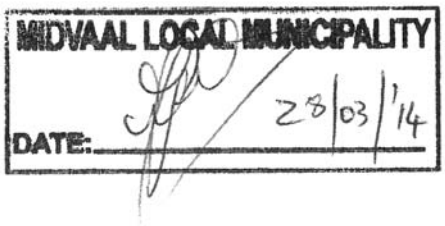
The Accounting Officer must then submit a report on such assessment to the Mayor by 25 January each year and to Council, Provincial Treasury and National Treasury by 31 January each year.

The Accounting Officer may in such report make recommendations after considering the recommendation of the Chief Financial Officer for adjusting the annual budget and for revising the projections of revenues and expenses set out in the service delivery and budget implementation plan.



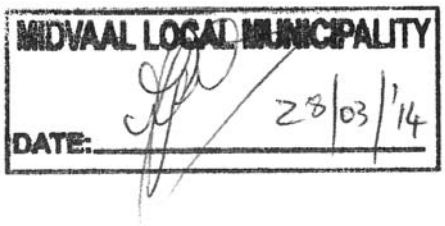
12. APPROVAL AND EFFECTIVE DATE

The policy will be effective as from 1 July 2014.



13. POLICY AMENDMENT

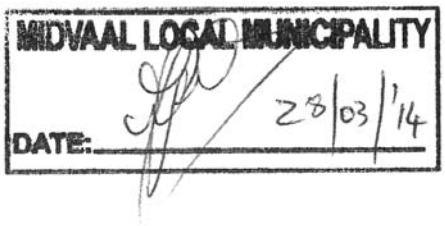
The Budget Implementation and Monitoring Policy must be reviewed on an annual basis.



14. RELATIONSHIP WITH OTHER POLICIES

This policy needs to be read in conjunction with other relevant adopted policies of the municipality, including the following:

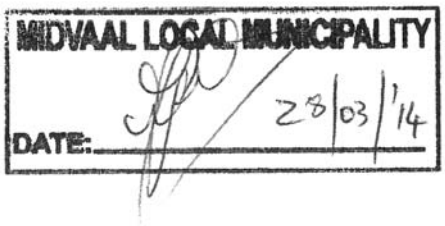
- Delegation of Powers;
- Funding and Reserves Policy;
- Long Term Financial Plan Policy;



15. REFERENCES

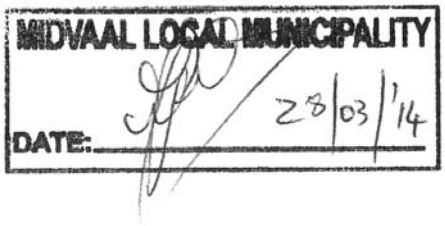
The following references were observed in compiling this document:

- Municipal Finance Management Act, 2003
- Municipal Systems Act, 2000
- The Local Government: Municipal Systems Act 2000 (Act No. 32 of 2000);
- The Municipal Budget and Reporting Regulations;
- MFMA Circulars 66 and 67

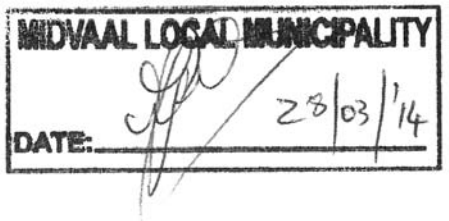


16. POLICY IMPLEMENTATION

The policy will be effective as from 1 July 2014.

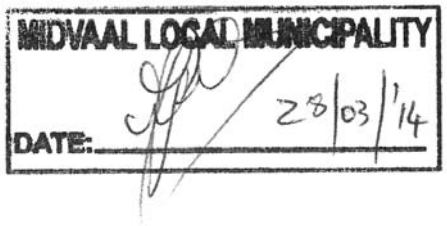


ANNEXURE A: BUDGET PROCESS TIMETABLE



TIMEFRAME	ACTIVITY	RESPONSIBILITY
1 November Year 1 – 10 December Year 1	Heads of Departments to prepare and submit first draft operating and capital budgets in line with the approved operational plans, budget guidelines and secured financing sources.	Heads of Departments
10 December Year 1 –	Revision of the current operational and capital budget.	CFO/ Heads of Departments
	Compilation of the MFMA Sec 72 Report and submission to the Executive Mayor.	AO/ CFO
	Approval of adjustments budget by Mayoral Committee.	AO/ CFO
	Approval of adjustments budget by Council.	AO/ Executive Mayor
10 December Year 1 – 21 January Year 2	Finance Department to consolidate and prepare the first draft capital and operating budget in the following formats:	CFO/Manager Accounting/Heads of Departments
	High level consolidated format;	
	Line item budget; and	
	Proposed Tariffs.	
	Evaluation of and discussions on first draft budget by Mayoral Committee in line with operational plans, budget guidelines and IDP.	AO/ CFO/ Heads of Departments
21 January Year 2 – 4 February Year 2	Finance Department to consolidate and prepare the second draft capital and operating budget.	CFO/Manager Accounting/Heads of Departments
	Evaluation of and discussions on second draft by Mayoral Committee.	AO/ CFO
7 February Year 2 – 14 February Year 2	Evaluation of and discussions on second draft by Portfolio Committees.	Chairpersons of Portfolio Committees/ Heads of Departments
14 February Year 2 – 4 March Year 2	Evaluation and discussions of proposals from Portfolio Committees by the Mayoral Committee.	AO/ CFO
4 March Year 2 – 11 March Year 2	Finance Department to consolidate and prepare the third draft capital and operating budget.	CFO/Manager Accounting/Heads of Departments
	Evaluation and finalisation of the draft MTREF operational and capital budgets by the Mayoral Committee.	AO/ CFO
11 March Year 2 – 31 March Year 2	Finance Department to consolidate and prepare the final draft capital and operating budgets.	CFO/Manager Accounting/Heads of Departments

TIMEFRAME	ACTIVITY	RESPONSIBILITY
	Tabling of final draft capital and operating budget to Council.	AO/ Executive Mayor
31 March Year 2 – 29 April Year 2	Consultation on final draft budget through formal meetings with all possible stakeholders.	Executive Mayor/
		AO/ CFO
29 April Year 2 – 13 May Year 2	Finance Department to consolidate and prepare the final draft capital and operating budgets.	CFO/Heads of Departments
	Evaluation of and discussions on final draft by Mayoral Committee.	AO/ CFO
13 May Year 2 – 31 May Year 2	Finance Department to consolidate and prepare the final capital and operating budgets.	CFO/Heads of Departments
	Adoption of budget by Council.	AO/ Executive Mayor
31 May Year 2 – 13 June Year 2	Finance Department to submit approved budget to Provincial Treasury and National Treasury.	CFO
31 May Year 2	Finance Department to finalise all preparations to ensure proper and timeous implementation of budget, including promulgation of tariffs	CFO
30 June Year 2	Municipal Manager to submit draft SDBIP's and draft performance agreements of all section 57 personnel to Executive Mayor – 14 July	AO
	Executive Mayor to approve SDBIP's and note performance agreements – 28 July	AO/ Executive Mayor



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MIDVAAL
LOCAL MUNICIPALITY

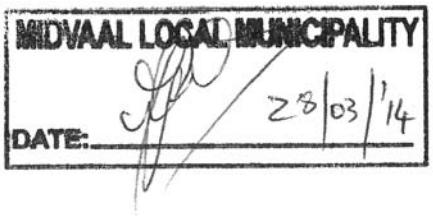
LOCAL PROCURMENT POLICY

TARGETED PROCUREMENT POLICY FOR THE MIDVAAL LOCAL MUNICIPALITY

Gauteng Provincial Government promotes targeted procurement in respect of designated commodities. The Midvaal Local Municipality is also in favour of promoting commodity based procurement from local produces and/or suppliers. The provincial designated commodities index list, as amended by GPG from time to time as well as additional commodities specific to Midvaal should be used as the basis of procurement.

Sectors identified for local procurement

Industry/ sector/ sub-sector	Minimum threshold for local content
Buses (Bus Body)	80% SA content
Textile, Clothing, Leather and Footwear	100% SA content
Steel Power Pylons	100% SA content
Canned / Processed Vegetables	80% SA content
Pharmaceutical Products: (Oral Solid Dosage)	70% (volumes) SA content
Rail Rolling Stock	65% SA content
Set Top Boxes	30% SA content
Furniture Products: - Office Furniture - School Furniture - Bases and Mattresses	 85% SA content 100% SA content 90% SA content
Solar Water Heater Components	70% SA content
Electrical and telecom cables	90% SA content
Public Transport	100% SA content
Rental of tents and chairs	100% Midvaal content
Cleaning services	100% Midvaal content
Security	100% Midvaal content
Laundry	100% Midvaal content
Catering	100% Midvaal content
Flowerbed maintenance / Grass Cutting / Tree Felling	100% Midvaal content
Construction work	25% subcontracting to promote enterprise development of Midvaal emerging contractors



MIDVAAL

Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

UN-AUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE POLICY

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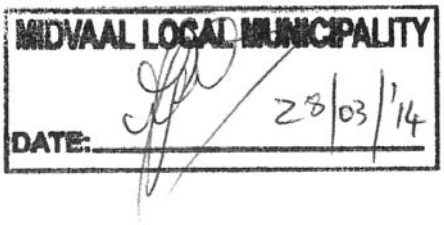
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1. PURPOSE OF THE POLICY

A policy for unauthorised, irregular, fruitless and wasteful expenditure must be compiled and adopted by municipalities to ensure compliance with Section 32 of the MFMA, Act 56 of 2003 and MFMA Circular 68 dealing with unauthorised, irregular, fruitless and wasteful expenditure issued by National Treasury on 10 May 2013.

The objectives of this policy are:

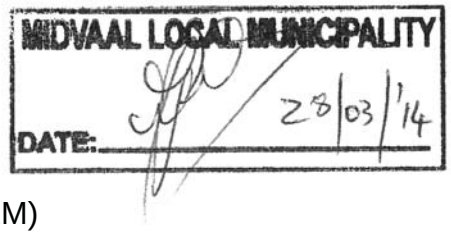
(a) To state the regulatory and legislative requirements surrounding fruitless, wasteful and irregular expenditure.

(b) To provide definitions of fruitless, wasteful and irregular expenditure.

(c) To provide examples of fruitless, wasteful and irregular expenditure.

(d) To outline procedures to manage such expenditures.

(e) To inform officials of the consequences of not complying with the relevant regulatory and legislative requirements.



2. DEFINITIONS

General Definitions:

"municipality" means Midvaal Local Municipality (MLM)

"the Act" means the Municipal Finance Management Act, 2003 (Act No. 56 of 2003)

"the POBA" means the Public Office-Bearers Act, 1998 (Act No. 20 of 1998)

"official" means any person employed by the Midvaal Local Municipality, be it in the capacity as a permanent official, temporary official, intern or contracted employee (in terms of Section 57 of the Municipal Systems Act, Act 32 of 2000 or any other form of employment contract)

"department" means any internal department of the Midvaal Local Municipality as per the latest approved Organisational Structure of Council.

''overspending'' –

(a) In relation to the budget of a municipality, means causing the operational or capital expenditure incurred by the municipality during financial year to exceed the total amount appropriated in that year's budget for its operational or capital expenditure as the case may be;
(b) In relation to a vote, means causing expenditure under the vote to exceed the amount appropriated for that vote; or

(c) In relation to expenditure under section 26, means causing expenditure under that section to exceed the limits allowed in subsection (5) of that section

‘‘Vote’’ means –

(a) One of the main segments into which a budget of a municipality is divided for the appropriation of money for the different department or functional areas of the municipality; and
(b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.

The MFMA defines unauthorised, irregular, fruitless and wasteful expenditure as follows:

"irregular expenditure", in relation to a Municipality or municipal entity, means-

(a) expenditure incurred by a Municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of this Act, and which has not been condoned in terms of section 170;

(b) expenditure incurred by a Municipality or municipal entity or in contravention of, or that is not in accordance with, a requirement of the Municipal Systems Act, and which has not been condoned in terms of that Act;

(c) expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the Public Office-Bearers Act, 1998 (Act No. 20 of 1998); or

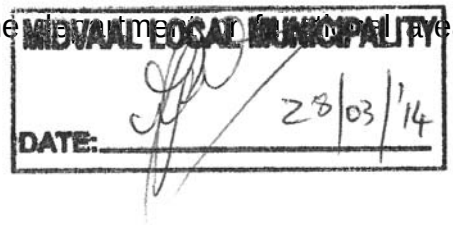
(d) expenditure incurred by a Municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the supply chain management policy of the municipality or any of the municipality's by-laws giving effect to such policy, and which has not been condoned in terms of such policy or by-law, but excludes expenditure by a municipality which falls within the definition of "unauthorised expenditure";

"unauthorised expenditure", in relation to a municipality, means any expenditure incurred by a municipality otherwise than in accordance with section 15 or 11(3), and includes-

(a) overspending of the total amount appropriated in the municipality's approved budget;

(b) overspending of the total amount appropriated for a vote in the approved budget;

(c) expenditure from a vote unrelated to the department or functional area covered by the vote;



(d) expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose;

(e) spending of an allocation referred to in paragraph (b), (c) or (d) of the definition of "allocation" otherwise than in accordance with any conditions of the allocation; or

(f) a grant by the municipality otherwise than in accordance with the Act;

"fruitless and wasteful expenditure" means expenditure that was made in vain and would have been avoided had reasonable care been exercised.

"Unforeseen and unavoidable expenditure" means expenditure that -

- Could not have been foreseen at the time the annual budget of the municipality was passed

- The delay that will be caused by a pending adjustments budget may:

 - Result in significant financial loss for the municipality
 - Cause a disruption or suspension or serious threat to the continuation of municipal services
 - Lead to loss of life or serious injury or significant damage to property
 - Obstruct the municipality from instituting or defending legal proceedings on an urgent basis.

3. LEGAL FRAMEWORK

The following Laws and regulations, amongst others, inform this policy:

(a) Section 32 of the MFMA reads as follows:

(1) Without limiting liability in terms of the common law or other legislation—

(a) a political office-bearer of a municipality is liable for unauthorised expenditure if that office-bearer knowingly or after having been advised by the accounting officer of the municipality that the expenditure is likely to result in unauthorised expenditure, instructed an official of the municipality to incur the expenditure;
(b) the accounting officer is liable for unauthorised expenditure deliberately or negligently incurred by the accounting officer, subject to subsection (3);
(c) any political office-bearer or official of a municipality who deliberately or negligently committed, made or authorised an irregular expenditure, is liable for that expenditure; or

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(d) any political office-bearer or official of a municipality who deliberately or negligently made or authorised a fruitless and wasteful expenditure is liable for that expenditure.

(2) A municipality must recover unauthorised, irregular or fruitless and wasteful expenditure from the person liable for that expenditure unless the expenditure—

(a) in the case of unauthorised expenditure, is—

(i) authorised in an adjustments budget; or
(ii) certified by the municipal council, after investigation by a council committee, as irrecoverable and written off by the council; and

(b) in the case of irregular or fruitless and wasteful expenditure, is, after investigation by a council committee, certified by the council as irrecoverable and written off by the council.

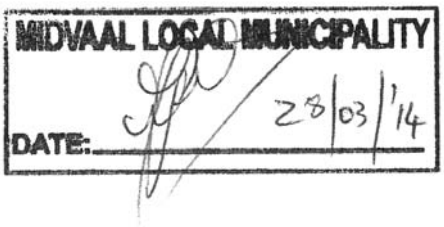
(3) If the accounting officer becomes aware that the council, the mayor or the executive committee of the municipality, as the case may be, has taken a decision which, if implemented, is likely to result in unauthorised, irregular or fruitless and wasteful expenditure, the accounting officer is not liable for any ensuing unauthorised, irregular or fruitless and wasteful expenditure provided that the accounting officer has informed the council, the mayor or the executive committee, in writing, that the expenditure is likely to be unauthorised, irregular or fruitless and wasteful expenditure."

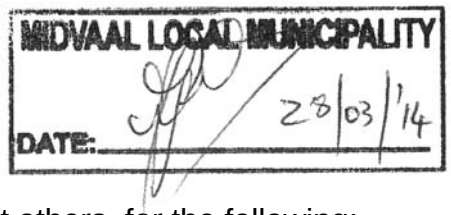
(b) Section 176 of the MFMA which reads as follows:

(1) No municipality or any of its political structures, political office-bearers or officials, no municipal entity or its board of directors or any of its directors or officials, and no other organ of state or person exercising a power or performing a function in terms of this Act, is liable in respect of any loss or damage resulting from the exercise of that power or the performance of that function in good faith.

(2) Without limiting liability in terms of the common law or other legislation, a municipality may recover from a political office-bearer or official of the municipality, and a municipal entity may recover from a director or official of the entity, any loss or damage suffered by it because of the deliberate or negligent unlawful actions of that political office-bearer or official when performing a function of office.

(c) Section 170 and 173 of the MFMA
(d) Regulation 23 and 74 of the Municipal Budget and Reporting Regulations
(e) Relevant GRAP statements





4. ROLE OF THE ACCOUNTING OFFICER

The Accounting Officer is responsible, amongst others, for the following:

(a) Exercise all reasonable care to prevent and detect irregular, unauthorised, fruitless and wasteful expenditure and must for this purpose implement effective, efficient and transparent processes of financial and risk management;

(b) Inform the Executive Mayor, Mayoral Committee and Council (in writing), as the case may be, if a decision is taken which, if implemented, is likely to result in irregular, unauthorised, fruitless and wasteful expenditure;

(c) On discovery of any irregular, unauthorised, fruitless and wasteful expenditure to report promptly (in writing), the particulars of the expenditure to the Executive Mayor;

(d) Follow the prescribed processes to deal with irregular, unauthorised, fruitless, and wasteful expenditure.

5. PROCEDURE FOR UNFORESEEN AND UNAVOIDABLE EXPENDITURE

MLM hereby adopts the MFMA Budget and Reporting Regulations' prescribed processes to be followed for the approval of unforeseeable and unavoidable expenditure as set out below:

a) No unavoidable expenditure exceeding R15 million may be approved during a financial year.

b) Any official/department becoming aware of the need to incur unforeseen or unavoidable expenditure must immediately approach the Chief Financial Officer with the full details on the unforeseen expenditure, providing information on the consequences of not incurring the expenditure as well as an indication of the expected cost (both for the current year as well as any recurring cost resulting from the event). A confirmation that the expenditure does not constitute expenditure that may not be allowed by the Executive Mayor as per section 73(2) of the MFMA Budget and Reporting Regulations must be given by the department when approaching the CFO.

c) The Chief Financial Officer will determine whether the cost cannot be dealt with through a process of shifting of funds within the relevant votes in terms of the virements policy. If sufficient funds are available, the virements process will be followed. If not, the matter will be reported to the Municipal Manager for consideration as unforeseen and unavoidable expenditure.

d) Once the Municipal Manager has granted approval, the relevant Executive Director will be authorised to submit a report to the Executive Mayor

requesting approval. If approval is granted, the Venus financial system will be adjusted to allow the department to process the financial transaction.

e) The abovementioned process will be dealt with as highest priority to ensure that administrative delays do not exacerbate the situation.

f) An adjustments budget will be submitted to the next Council meeting. The preferred process would be to shift funds between votes to avoid any negative impact on the total cash position of council.

6. EXAMPLES OF UNAUTHORISED, IRREGULAR OR FRUITLESS AND WASTEFUL EXPENDITURE

The following examples are only guides and are not exhaustive.

6.1 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

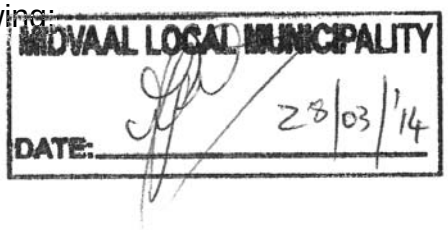
Fruitless and wasteful expenditure in MLM includes the following:

- Procuring of goods and services that are not beneficial to the municipality
- Costs of goods and services are in excess of what would have been the case have proper procedures been followed (quotes etc.)
- Renting of property when sufficient and appropriate unoccupied property is owned by the entity
- Exuberant costs on parties, entertainment etc.
- Incurring penalty and interest costs on late payment of accounts
- Mismanagement of funds.

6.2 Irregular expenditure

Irregular expenditure in MLM is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the entity's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

Irregular expenditure in MLM includes the following:



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- Irregular expenditure incurred as a result of institutions procuring goods or services by means other than through competitive bids and where reasons for deviating from inviting competitive bids have not been recorded and approved by the accounting officer;
- Irregular expenditure incurred as a result of non-compliance with a requirement of the entity's delegations of authority;
- Irregular expenditure incurred due to it being in contravention of the entity's supply chain management policy;
- Expenditure paid out to service providers who are in the service of state;
- Irregular expenditure incurred as a result of non-compliance with a provision contained in any applicable legislation.

6.3 Unauthorised expenditure

Unauthorised expenditure in MLM is expenditure that has not been budgeted for, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, entity or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No.56 of 2003). Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

Unauthorised expenditure in MLM includes the following:

- Procuring of goods and services that are not budgeted for;
- Expenditure not in terms of the conditions of an allocation (grant etc) received from another sphere of government, entity or organ of state;
- Expenditure in the form of a grant that is not permitted in terms of the MFMA.

7. PROCESS TO BE FOLLOWED IN CASES OF UNAUTHORISED, IRREGULAR OR FRUITLESS AND WASTEFUL EXPENDITURE

a. Any unauthorised, irregular or fruitless and wasteful expenditure as defined above, must be promptly reported to the Chief Financial Officer who will initiate the process of dealing with the unauthorised, irregular or fruitless and wasteful expenditure.

b. A register will be maintained by the Head of Supply Chain to record all instances of unauthorised, irregular, fruitless and wasteful expenditure. The format of the register will be consistent with Annexure A of MFMA Circular 68 issued on 10 May 2013.

c. Upon receiving a report of unauthorised, irregular or fruitless and wasteful expenditure, the CFO will advise, in writing, the Municipal Manager and

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the Head of Internal Audit.

d. The Head of Internal Audit will institute an investigation as contemplated in section 32 of the MFMA, and in particular, determine the following:

- Nature of the non-compliance (i.e. non-compliance with MFMA, MSA, Remuneration of Public Officer Bearer's Act, etc.);
- Nature and reason for the unauthorised expenditure, irregular or fruitless and wasteful expenditure ;
- Whether the unauthorised, irregular or fruitless and wasteful expenditure was as a result of an instruction given, and if so, by whom. In addition, whether the accounting officer of official involved advised that such a decision would result in unauthorised, irregular or fruitless and wasteful expenditure
- Whether the irregular expenditure result from a minor breach in the procurement policy;
- Whether the municipality suffered a financial loss;
- Whether the accounting officer / official / public officer bearer acted deliberately, negligently, or grossly negligently;
- Grounds shown as to why the unauthorised expenditure should be authorised (such as interest of the municipality);
- Whether the accounting officer can condone the non-compliance with the SCM policy as a minor breach;
- Whether the non-compliance must be submitted to the National Treasury for condonation;
- Whether the non-compliance must be submitted to the Minister of Co-operative Governance and Traditional Affairs for condonation.

e. The findings of the Head Internal Audit will be submitted to the Municipal Manager for consideration of the following:

- Introduction of an adjustments budget to authorise the un-authorised expenditure (if unforeseen and unavoidable and the process outlined in paragraph 3 of this policy could not be followed)
- Recommendation to recover funds
- Recommendation n to write the funds of as irrecoverable
- Disciplinary / Criminal action to be instituted.

f. The Head Internal Audit must, in considering e above, take due cognisance of section 176 of the MFMA.

g. The Municipal Manager must advise the Executive Mayor (Head of Supply Chain to facilitate reporting process) of the unauthorised, irregular or fruitless and wasteful expenditure and the recommendations that will be made to the section 80 committee.

h. The ED: Corporate Services will be responsible to institute criminal charges where applicable.

i. The findings of the of the Head Internal Audit and the recommendations of the Municipal Manager will be submitted to a joint sitting of the Finance and Corporate Services as well as the relevant departmental section 80 committee for consideration of the following:

- Introduction of an adjustments budget to authorise the un-authorised expenditure (if unforeseen and unavoidable and the process outlined in paragraph 3 of this policy could not be followed)
- Recommendation to recover funds
- Recommendation to write the funds of as irrecoverable

j. The recommendations of the section 80 committees will be submitted to the next Mayoral Committee and Council meetings for final decision.

k. Upon conclusion of the Council process, the Head of Internal Audit must promptly advise the MEC for Local Government and the Auditor General of the unauthorised, irregular or fruitless and wasteful expenditure and the decision taken by Council.

l. If the unauthorised expenditure is not authorised by Council, the funds must be recovered from the liable official or political officer bearer (within 30 days or in reasonable instalments).

m. The Register of unauthorised, irregular or fruitless and wasteful expenditure will form part of the Municipal Manager's management meeting agenda to ensure the reported items are dealt with in a prompt manner.

n. All instances of unauthorised, irregular, fruitless and wasteful expenditure must be disclosed in the annual report.

o. The Chief Financial Officer must initiate a special adjustments budget (if applicable) to deal with the authorisation of un-authorised expenditure.

8. INVESTIGATIONS AND DISCIPLINARY ACTIONS

8.1 In terms section 172 and 173 of the MFMA, an Accounting Officer is guilty of financial misconduct and an offence respectively if he or she:

(a) will fully or negligently fails to take effective and appropriate steps to prevent unauthorised, irregular or fruitless and wasteful expenditure as required by the MFMA;
(b) fails to take effective and appropriate disciplinary steps against an official in the department who makes or permits unauthorised, irregular or fruitless and wasteful expenditure;
(c) fails to report unauthorised, irregular or fruitless and wasteful expenditure in terms of the MFMA.

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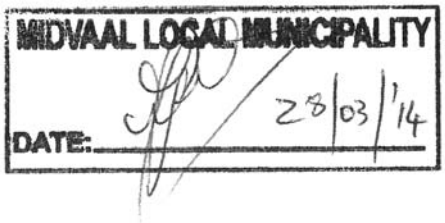
8.2 As soon as the Accounting Officer becomes aware of an allegation of financial misconduct against an official, the Accounting Officer has a responsibility to ensure that the Mayor initiates an investigation into the matter and if the allegations are confirmed, holds a disciplinary hearing in accordance with the prescripts of the applicable legislation.

8.3 In terms of section 172 of the MFMA, an official of a department to whom a duty or power has been assigned commits an act of financial misconduct if that official will fully or negligently fails to perform that duty or exercise that power in line with applicable legislation.

8.4 In terms of the MFMA, the accounting officer must take appropriate and effective disciplinary steps against an official who makes or permits unauthorised, irregular or fruitless and wasteful expenditure.

8.5 When an accounting officer determines the appropriateness of disciplinary steps against an official in terms of applicable legislation, he or she must take into account the following:

(a) circumstances of the transgression;
(b) extent of the expenditure involved;
(c) nature and seriousness of the transgression



9. REPORTING

11.1 The Accounting Officer must comply with the following reporting requirements:

11.1.1 Immediately upon discovery of unauthorised, irregular or fruitless, and wasteful expenditure, the Accounting Officer must report the details of the unauthorised, irregular or fruitless, and wasteful expenditure to the Mayor.

The report must include the following details:

(a) amount of the Unauthorised, irregular or fruitless and wasteful expenditure;
(b) name of the vote from which the expenditure was made;
(c) reason why the unauthorised, irregular or fruitless and wasteful expenditure could not be avoided;
(d) name and title of the responsible official;
(e) details of any recovery steps taken or to be taken by the municipality;
(f) details of any disciplinary steps taken or to be taken by the municipality,

11.1.2 The Accounting Officer must also include the expenditure in the department's monthly revenue and expenditure report submitted to the Council in terms of the MFMA.

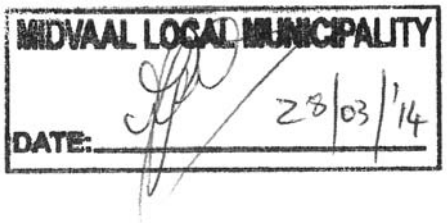
11.1.3 All unauthorised, irregular or fruitless and wasteful expenditure must be reported as a note to the annual financial statements.

10. CONCLUSION

Irregular expenditure resulting from non-compliance with the MFMA and the MSA can't be condoned by Council and approval must be sought from the National Treasury, the Minister of Co-operative Governance and Traditional Affairs respectively.

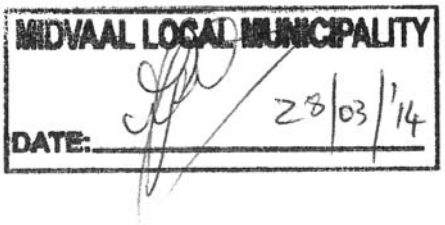
Irregular expenditure resulting from non-compliance with the Public Officer Bearer's Act can't be condoned and such irregular expenditure must be recovered from the political officer bearer concerned.

A council may condone irregular expenditure resulting from a contravention of the SCM policy provided that the contravention is not also a contravention of the MFMA or the SCM Regulations, in which case only the National Treasury can condone a contravention of the SCM Regulations.
Minor breaches of the procurement process can be ratified by the accounting officer (if the municipality's SCM policy allows for it). Only the breaches in the process can be ratified and not the irregular expenditure itself. The irregular expenditure must still be ratified by Council.



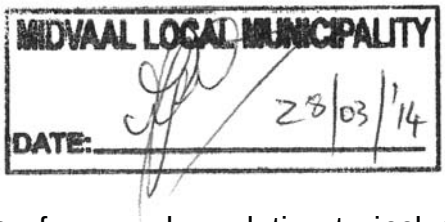
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PAYMENT OF BULK CONTRIBUTIONS POLICY



1. Rezoning

The newly approved zoning becomes effective on promulgation in the Provincial gazette and the commencement of the scheme is usually 56 calender days from the promulgation date and then the liability of bulk contributions becomes payable by the property owner Contributions will be levied by finance on date of mayoral resolution as interim/provisional contributions.



2. Subdivisions and Consolidations

Bulk contributions will be levied by finance on date of mayoral resolution to include contributions into clearance certificate figures.

If no payment is received from the applicant/owner within 90 days from the date of the approval letter, the Council will recalculate the bulk contributions payable, subject to escalation costs or increase in tariff and / or fees and will be determined as and when the applicant/developer/owner wishes to exercise the new right.

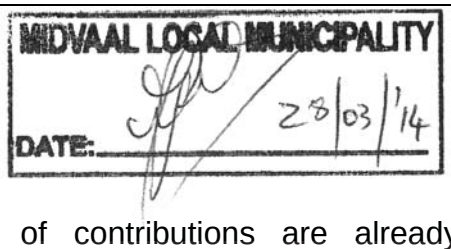
3. Consent use

If no payment is received from the applicant / owner within 90 days from the date of the approval letter, the Council will recalculate the bulk contributions payable, subject to escalation costs or increase in tariff and / or fees and will be determined as and when the applicant/developer/owner wishes to exercise the new right.

On cancellation of the approved application Development, Planning and Housing will inform finance within 10 working days to remove the contributions from the system.

4. Township establishment

The applicant will be informed of bulk and link contributions payable in accordance with a signed Services Agreement, subject to the conditions pertaining to such agreement.



5. General

5.1 Any arrangements regarding the payment of contributions are already delegated to the mayoral committee per resolution MC1211/12/2006 and such arrangements will be backed by an irrevocable bank guarantee.

5.2 The authority to cancel an approved application for consent use be delegated to the Executive Director: Development and Planning. This automatically authorises removal of outstanding contributions.

5.3 The authority to amend bulk contributions be delegated to the Municipal Manager on written request by the Executive Director's Development Planning, & Housing and Engineering.

5.4 Any guarantees to back payment of a clearance certificate, must be irrevocable. Annette & Tommy F to comment?

5.5 That all previous approved allocations be dealt with in terms of the said policy above

5.6 That all communication regarding the final bulk contributions payable be mailed to the property owner by registered post.

6. Conditions

If no payment is received from the applicant/owner within 90 days from the date of the approval letter, Finance in conjunction with Engineering may recalculate the bulk contributions payable in line with Council resolution (), subject to escalation costs or increase in tariff and /or fees and will be determined as and when the applicant/developer/owner wishes to exercise the new right.

This condition will come into immediate effect, and also apply to all applications that have already been considered but in respect of which external bulk contributions are still outstanding.

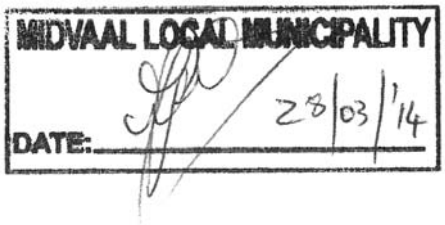
In the event of a Township Establishment application this condition shall form part of the Services Agreement.

The Executive Director: Engineering Services must recalculate the bulk contributions as and when required.

All land use applications where bulk contributions have not been paid within 90 days from the date of the approval letter shall be re-circulated to the Department: Engineering Services in order to recalculate revised bulk contributions prior to the approval of building plans or any certificate enabling transfer of the newly subdivided portions.

7. Implementation

The policy will be effective as from 1 July 2014.



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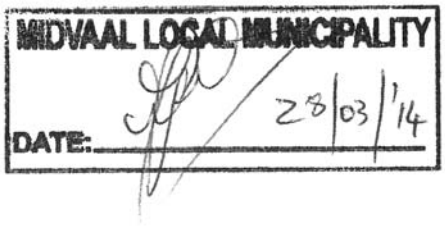
RELATED PARTY POLICY

1. INTRODUCTION

GRAP 20 is applicable to all entities on the accrual basis of accounting in identifying and disclosing related party relationships, transactions and balances at year-end, including commitments.

This policy framework shall be read in the context of the provisions of the following Acts, Regulations and Administrative Guidelines:

- Accounting guidelines, National Treasury, June 2012
- MFMA, Act 56 of 2003;
- GRAP 20



2. PURPOSE

This policy outlines the identification, treatment, recognition and reporting of Related party transactions in the municipality according to the requirements of the MFMA.

The accounting officer of an institution must ensure that internal procedures and internal control measures are in place for all payment approval and processing, including related party transactions. These internal controls should provide reasonable assurance that all expenditure is necessary, appropriate, paid promptly and is adequately recorded and reported on.

The objective of this Standard is to ensure that a reporting entity's financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and surplus or deficit may have been affected by the existence of related parties and by transactions and outstanding balances with such parties.

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3. DEFINITIONS

Related party transactions – is a transfer of resources or obligations between related parties, regardless of whether a price is charged.

Related party – parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions, or if the related party entity and another entity are subject to common control.

Related parties include:

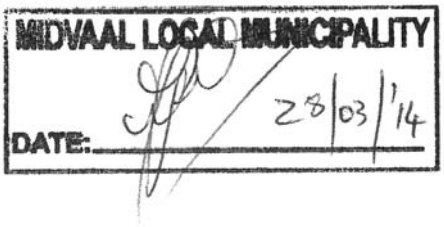
- Entities that directly, or indirectly through one or more intermediaries, control or are controlled by the reporting entity;
- Associates and joint ventures;
- Individuals owning, directly or indirectly, an interest in the reporting entity that gives them significant influence over the entity, and close member of the family of such an individual;
- Key management personnel, and close members of the family of key management personnel; and
- Entities in which a substantial ownership interest is held, directly or indirectly, by any person described in (c) or (d), or over which such a person is able to exercise significant influence.

Significant influence – is the power to participate in the financial and operating policy decision of an entity, but not control those policies.

Control – is the power to govern the financial and operating policies of another entity so as to benefit from its activities.

Joint control – is the agreed sharing of control over an activity by a binding agreement.

Entities – entities referred to in GRAP 20 and in this policy, i.e. for which this is applicable, are:



- Public entities;
- Constitutional institutions;
- Municipalities and all other entities under their control;
- Parliament and provincial legislature; and
- Trading entities (only effective from 1 April 2013).

Key Management personnel:

- all Directors or members of a governing body of the entity;
- other persons having the authority and responsibility for planning, directing and controlling the activities of the reporting entity. Where they meet this requirement key personnel include:
- where there is a member of the governing body of a whole-of-government entity who has the authority and responsibility for planning, directing and controlling the activities of the reporting entity, that member (e.g. Councillors);
- any key advisor of that member; and unless included in (a), the senior management group of the reporting entity, including the chief executive or permanent head of the reporting entity (e.g. the Accounting Officer)

4. IDENTIFICATION

Parties are considered to be related if one party has the ability to **control** (or jointly control) the other party or exercise **significant influence** over the other party, or vice versa, or an entity that is subject to **common control**, or joint control.

As a minimum, the following are regarded as related parties of the reporting entity:

- A person or a close member of that person's family is related to the reporting entity if that person:
- has control or joint control over the reporting entity;
- has significant influence over the reporting entity; or
- Is a member of the management of the entity or its controlling entity.
- An entity is related to the reporting entity if any of the following conditions apply:
- The entity is a member of the same economic entity (which means that each controlling entity, controlled entity and fellow controlled is related to the others);
- One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of an economic entity of which the other entity is a member);
- Both entities are joint ventures of the same third party;
- One entity is a joint venture of a third entity and the other entity is an associate of the third entity;

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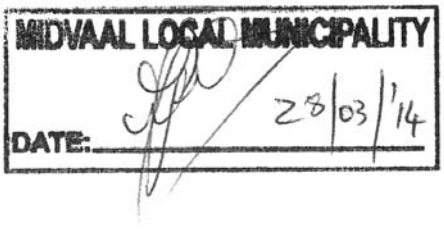
- The entity is a post-employment benefit plan for the benefit of employees of either the entity or an entity related to the entity. If the reporting entity is itself such a plan, the sponsoring employers are related to the entity;
- The entity is controlled or jointly controlled by a related person; and
- A person who has control or joint control over the reporting entity has significant influence over that entity or is a member of the management of that entity (or its controlling entity).

In identifying related party relationships, attention should be given to the substance of a relationship and not merely its legal form.

Where two entities have a member of management in common, it is necessary to consider the possibility, and to assess the likelihood, that this person would be able to affect the policies of both entities in their mutual dealings. However, the mere fact that two entities have a member of management in common does **not necessarily** create a related party relationship.

The following other instances also do **not necessarily** create related party relationships:

- Two ventures **merely** because they share joint control over a joint venture;
- Providers of finance and trade unions;
- A customer, supplier, distributor or general agent with whom an entity transacts a significant volume of business, **merely** by virtue of the resulting economic dependence.



Other factors could, however, result in the parties being related.

5. IDENTIFICATION

Control is the power to govern the financial and operating policies of another entity so as to benefit from its activities.

An entity (or a person or body of persons) has control over another entity when it has certain decision-making capabilities over another and that it benefits from the activities of that entity.

Further indicators that can also individually or collectively be indicative of control are:

- The entity has the ability to veto operating and capital budgets of the other entity;
- The entity has the ability to veto, overrule, or modify the board of directors or equivalent governing body decisions of the other entity;
- The entity has the ability to approve the hiring, reassignment and removal of key personnel of the other entity;
- The mandate of the other entity is established and limited by legislation;
- The entity holds a “golden share” (or equivalent) in the other entity that confers rights to govern the financial and operating policies of that entity;
- The entity holds direct or indirect title to the net assets of the other entity;

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- The entity has a right to a significant level of the net assets of the other entity in the event of a liquidation or in a distribution other than a liquidation;

- The entity is able to direct the other entity to co-operate with it in achieving its objectives;

- The entity is exposed to the residual liabilities of the other entity.

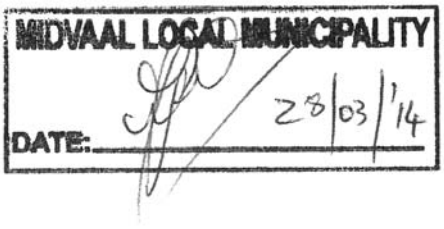
In the South African context, the government is divided into three spheres, namely the national, provincial and local spheres of government. Although provinces and municipalities are responsible for executing its assigned functions in line with the overall policies and objectives set by the relevant national department, the autonomy of the different spheres is guaranteed in terms of the Constitution of South

Africa and provinces and municipalities can therefore decide how it will achieve those objectives. The national government does not **control** provinces or municipalities for accounting purposes, although funding may be received from the national government.

The following figure illustrates the related parties in the South African government context (note that the different spheres of government are not related to each other):

Local sphere:

For example: The City of Johannesburg and its municipal entities are related parties. The City of Tshwane and the City of Johannesburg are not related parties as they are not under common control.



6. IDENTIFICATION

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

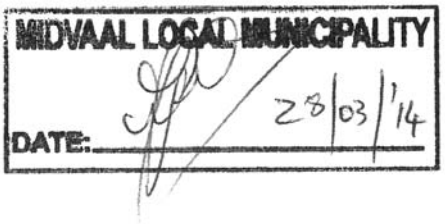
Significant influence may be exercised in several ways, usually by representation on the board of directors or equivalent governing body but also by, for example, participation in the policy making process. Significant influence may be gained by an ownership interest, statute, or agreement.

7. MANAGEMENT

Management are those persons responsible for planning, directing and controlling the activities of the entity, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions.

Management include any sub-committees of the governing body or key advisors of a member of management as well as the senior management group of the entity (if not part of the governing body of the entity).

Management hold positions of responsibility within an entity. They are responsible for the strategic direction and operational management of an entity and are entrusted with significant authority. This responsibility may enable them to influence the decisions of the entity and therefore the benefits of office that may flow to them or their related parties.



In respect of a municipality, the accounting authority or all the members (e.g. major, speaker, council members), and their close family relatives, are related parties of the municipality.

The senior management team of entities across all spheres of government (including the chief executive or permanent head of the entity) also form part of management.

8. CLOSE FAMILY MEMBERS

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity. A person is considered to be a close member of the family of another person if they:

- are married or live together in a relationship similar to a marriage; or

- are separated by no more than two degrees of natural or legal consanguinity or affinity.

Close family members of management (and entities under significant influence of such individuals) are related parties of an entity.

The reason for the inclusion of close family members in the definition of a related party is to prevent entities from transacting with these individuals rather than with management in order to circumvent the disclosure requirements of the standard.

Judgement will be necessary in determining whether an individual should be identified as a close member of the family of an individual for purposes of related party disclosures.

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9. RELATED PARTY TRANSACTIONS

A related party transaction is a transfer of resources or obligations between related parties, regardless of whether a price is charged.

According to GRAP 20, an entity should disclose all transactions with its related parties (refer to disclosure) other than transactions that would occur within:

- Normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those which it is reasonable to expect the entity would have adopted if dealing with that individual entity or person in the same circumstances; and

Terms and conditions within the normal operating parameters established by that reporting entity's legal mandate.

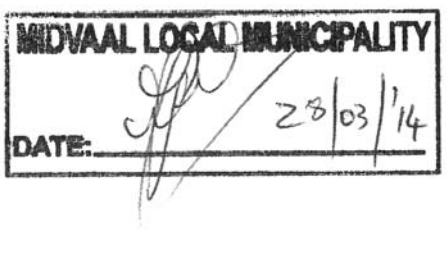
10. DISCLOSURE

The minimum disclosure in the annual financial statements for related party relationships, transactions and balances are the following:

Accounting policies

" The municipality operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the local sphere of government are considered to be related parties.

Management are those persons responsible for planning, directing and controlling the activities of the entity, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions.

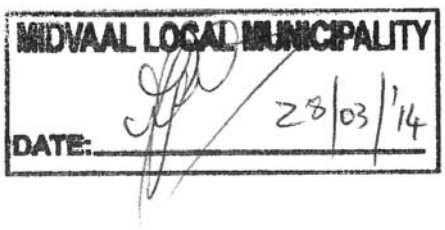


Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that member of management in their dealings with the entity.

Only transactions with related parties where the transactions are not concluded within normal operating procedures or on terms that are not no more or no less favourable than the terms it would use to conclude transactions with another entity or person are disclosed.

The following are situations where related party transactions may lead to disclosures required by a reporting entity

- Rendering or receiving of services
- Purchases or transfers/sales of goods (finished or unfinished)
- Purchases or transfers/sales of property and other assets
- Agency arrangements;
- Leasing arrangements;
- Transfer of research and development;\
- Licence agreements;
- Finance (including loans, capital contributions, grants whether in cash or in kind and other financial support including cost sharing arrangements); and
- Guarantees and collaterals;
- Settlement of liabilities



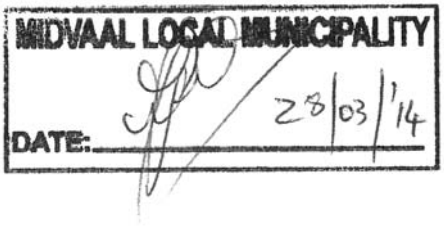
Management remuneration

An entity should disclose the remuneration of management per person and in aggregate, for each class of management, in the following categories:

- Fees for services as a member of management;
- Basic salary;
- Bonuses and performance related payments;
- Other short-term employee benefits;
- Post-employment benefits such as pensions, other retirement benefits, post-employment life insurance and post-employment medical care;
- Termination benefits;
- Other long-term benefits;
- Any commission, gain or surplus sharing arrangements; and
- Any other benefits received.

Entities shall make separate disclosures about the major classes of management that they have. For example, where an entity has a governing body, such as a board or a council, which is separate from its senior management group, disclosures about remuneration of the two groups must be made separately.

Where a person is a member of both the governing body and the senior management group, that person will be included in only one of those groups.



11. SUMMARY OF KEY PRINCIPLES

Grap 20 sets out the principles for the identification and disclosure or related party relationships and transactions.

Identification

Parties are considered to be related if one party has the ability to **control** the other party or exercise **significant influence** over the other party in making financial and operating decisions or if the related party and other entity are subject to **common control**.

Related parties include:

- Entities that directly, or indirectly through one or more intermediaries, control, or are controlled by the reporting entity;
- Associates
- Joint ventures
- Individuals owning, directly or indirectly, an interest in the reporting entity that gives them significant influence over the entity, and close members of the family or any individual;
- Management, and close members of the family of management; and
- Entities in which a substantial ownership interest is held, directly or indirectly, by any person described in the two bullets above, or over which such a person is able to exercise significant influence.

All departments and public entities in the national sphere of government are related parties;

All departments and public entities in each province are related parties; and

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Each municipality and its own municipal entities are related parties. A municipality is not “related” to another municipality as they are not under common control.

The National government does not control provinces or municipalities for accounting purposes, although funding may be received from the national government.

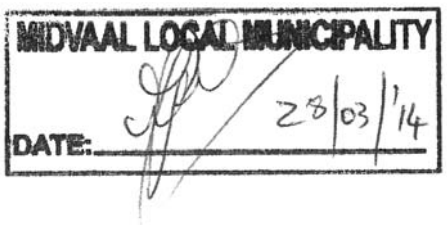
Disclosure

The reporting entity must disclose:

- Relationships between an entity and its controlling entities (or entities that it controls) needs to be disclosed.
- The nature of its related party relationships;
- The types of transactions that have occurred’ and
- The elements of the transactions necessary to clarify the significance of these transactions to its operations and sufficient to enable the financial statements to provide relevant and reliable information for decision-making and accountability purposes.

Disclosure of management information must also be made.

Entities are not required to disclose the value of transactions (other than those dealt with above) with other public sector entities where the transactions are concluded within normal operating procedures and on terms that are no more or no less favourable than the terms it would use to conclude transactions with another entity or person.



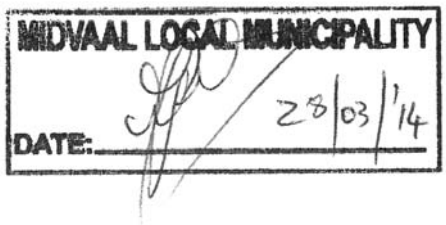
12. POLICY AUDIT

A periodic policy audit process shall be conducted either by the Finance section, or Municipal Manager, when deemed necessary. The Provincial Government and or Auditor-General may also audit and formally request amendment of the policy, as may required from time to time, to ensure appropriate application and compliance the relevant Treasury and MFMA regulations and other legislation.

13. POLICY AMMENDMENT

No amendment(s) may be made to any section of this policy without such amendment(s) first being:

- Consulted upon with the Chief Financial Officer and the Municipal Manager.
- Duly approved by the Council.



CHAPTER 5

SERVICE DELIVERY & BUDGET IMPLEMENTATION PLAN

IDP									SDBIP						
IDP Ref	DEPARTMENT	KEY PERFORMANCE AREA	STRATEGIC OBJECTIVE	KEY FOCUS AREA	PREDETERMINED OBJECTIVE	KEY PERFORMANCE INDICATOR	DEFINITION	5 YEAR TARGET	BASELINE	Budget & Vote	ANNUAL TARGET 2014/2015	QUARTERLY TARGETS			
												QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4
1/1/P/C/001	Corp	KPA 1: GOVERNANCE & STAKEHOLDER PARTICIPATION	To promote proper governance and public participation	KFA 1: Governance Structures	To promote sound and sustainable governance	Number of Council meetings arranged in terms of the approved annual planner	Number of Council meetings arranged in terms of the approved annual planne	4 meetings per annum	4 meetings per annum	Opex	4 meetings per annum	1 meeting per quarter	1 meeting per quarter	1 meeting per quarter	1 meeting per quarter
1/2/P/C/005	Corp			KFA 2: Stakeholder Participation	To increase active stake-holder participation	Number of ward committee meetings arranged in terms of the approved annual planner	Number of ward committee meetings arranged in terms of the approved annual planner	4 x 14 meetings per annum	4 x 14 meetings per annum	Opex	4 x 14 meetings per annum	1 x 14 meetings per quarter	1 x 14 meetings per quarter	1 x 14 meetings per quarter	1 x 14 meetings per quarter
	Corp			KFA 3: Inter-Governmental Relations (IGR)	To improve Inter-Govern-mental Relations (IGR)	Review of IGR Policy annually	Review of approved IGR Policy annually	1 report per annum	1 report per annum	Opex	1 report per annum	Review policy	Draft report	Submit report	Implement reviewed policy
1/8/A/C/019	Corp			KFA 4: Communications (Internal & External)	To improve internal and external communications	Number of issues of external newsletters distributed	Compilation and dis-tribution of external newsletters to resi-dents	3 x issues per annum	3 x issues per annum	Opex	3 x issues per annum	Planning phase	1 x issue	1 x issue	1 x issue
	Prot	KPA 2: SAFETY & ENVIRONMENT	To contribute to the safety of communities in Midvaal through the pro-active identification, prevention, mitigation and management of environmental health, fire and disaster risks	KFA 5: Safety & Security	To improve the safety of road users	Number of road-blocks executed	Road-blocks targeting Public Transport, Heavey duty vehicles and over- loading.	48 x Road-blocks per annum	24 x Road-block per annum	Opex	48 x Road-block per annum	12 x per Quarter	12 x per Quarter	12 x per Quarter	12 x per Quarter
	Comm			KFA 6: Environmental Management	To ensure environmental sustainability	Number of environmental contravention inspections conducted	Conducting of inspections on environmental contraventions	1 200 Inspections per annum	240 Inspections per annum	Opex	240 Inspections per annum	60 inspections	60 inspections	60 inspections	60 inspections
	Prot			KFA 7: Disaster Management	To review and implement the disaster management plan	Review and update Disaster Management Plan annually	Compilation and review of updated disaster management plan	1 x updated plan per annum	1 x updated plan per annum	Opex	1 x updated plan per annum	Review plan	Submit report	-	-
	Prot			KFA 8: Emergency Services	To ensure prompt reponse by Fire Services comply to service standard	Percentage fire service vehicles dispatched within 3 minutes of receiving emergency call	90% compliance with dispatch time	90% compliance with dispatch time	90% compliance with dispatch time	Opex	90% compliance with dispatch time	90% compliance with dispatch time	90% compliance with dispatch time	90% compliance with dispatch time	90% compliance with dispatch time
	Prot			KFA 9: Law Enforcement	To ensure effective and eficient by-law enforcement	Number of by-law enforce-ment inspections conducted	Inspections conduted at formal and informal trading spots	4 x report per annum	4 x reports per annum	Opex	4 x reports per annum	1 x report	1 x report	1 x report	1 x report
	Comm / DP & H / Eng	KPA 3: SOCIAL & COMMUNITY DEVELOPMENT	To assist and facilitate with the development and empowerment of the poor and the most vulnerable. These include the elderly, youth and disabled.	KFA 10: Sustainable Human Settlements	To develop integrated and sustainable human settlements	Number of informal households with access to refuse removal services	Rendering of refuse removal services to informal households.	2697 ?	2615	Opex	2615?				
	Comm			KFA 11: Sport and Recreation Programmes and Facilities, including Parks & Open Space	To promote and develop sport and recreation	Construction of Lakeside Sport Centre	Plan and construct a sport centre at Lakeside	Operational sport centre with various sporting codes	0 (New)	CAPITAL 801054126209 Total budget= R11 500 000	R 4,500,000				
	Comm			KFA 12: Clinics	To ensure an effective and efficient primary health care services.	Number of patients treated for Minor Ailments, HAST, Oral Health, Family Planning, Immunization, Chronics, ANC, Mental Health and PNC	Rendering of comprehensive health care services as per the Memorandum of Agreement	3 operational municipal clinics		Opex					
	Comm			KFA 13: Cemeteries	To plan & construct new cemeteries	Number of new cemeteries constructed	Construction of cemeteries and r endering of burial services	Efficient number of Cemeteries	5	CAPITAL 0504 054 126106 R 50 000	R 50,000				
	Comm			KFA 14: Libraries, Arts Culture & Special Programmes (Gender, Elderly, Youth and People living with disabilities, including ECD)	To promote programmes for gender, the elderly, youth and people living with disabilities	Number of programs implemented for gender, elderly, youth and disabled groups (GEYODI)	Number of programmes implemented for gender, elderly, youth and disabled groups (GEYODI)	4 per annum. (1 per group)	0 (New Indicator)	Opex	4 per annum (1 per group)				
	Comm				To ensure an effective and efficient library service	Number of new libraries constructed	Plan and construct a library at Lakeside	7 Fully operational libraries	5	Opex	R 150,000				
	HR	KPA 4: INSTITUTIONAL TRANSFORMATION	To provide an effective and efficient workforce by aligning institutional arrangements to overall strategy in order to deliver quality services	KFA 15: Human Capital & Skills Development	To provide adequate training to staff in order to execute their duties effectively	(NKPI -6) Percentage of a municipality's budget actually spent on implementing its Workplace Skills Plan	Percentage of allocated training budget spent on skilling of staff	95% of allocated training budget spent	95% of allocated training budget spent	Opex	95% of allocated training budget spent	24%	47%	71%	95%
						Number of training programmes conducted as per the Workplace Skills Plan (WSP)	No of training programmes condcuted i.t.o. WSP	35 WSP training programmes conducted annually	18 WSP training programmes conducted	Opex	20 WSP training programmes conducted	7 programmes	6 programmes	3 programmes	4 programmes
	Corp			KFA 16: Performance Manage-ment	To develop and implement an effective and efficient performance management system	Number of quarterly Section 52(d)-performance reports (SDBIP) submitted to Mayoral Committee	Number of quarterly Section 52(d)-performance reports (SDBIP) submitted to Mayoral Committee	4 x quarterly reports per annum	4 x quarterly reports per annum	Opex	4 x quarterly reports per annum	1 x quarterly report	1 x quarterly report	1 x quarterly report	1 x quarterly report
	Corp			KFA 17: Systems & Technology	Improved ICT Infrastructure as a key enabler to global competitiveness	Percentage of system up-time	90 Percent of system up-time as per service standards	90% average system up-time	90% average system up-time	Capital	90% average system up-time	90% average system up-time	90% average system up-time	90% average system up-time	90% average system up-time

MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/14

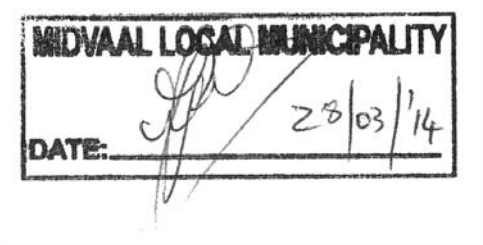
IDP Ref	DEPARTMENT	AREA	STRATEGIC OBJECTIVE	KEY FOCUS AREA	OBJECTIVE	INDICATOR	DEFINITION	5 YEAR TARGET	BASELINE	Budget & Vote	2014/2015	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4
4/26/A/C/087	Corp			**KFA 18: Policies, Processes & Procedures**	To review processes and procedures to ensure effective service delivery	Review policies and proce-dures	Policies per annum reviewed as per the comprehensive register	16 x policies reviewed	6 x policies per annum reviewed	Opex	6 x policies per annum reviewed	Planning phase	Review	Draft report	Implementation
						(NKPI -3) Percentage of a municipality's capital budget actually spent on capital projects identified for a particular financia year in terms of the municipality's IDP	Actual expenditure incurred on the capital budget / approved or adjusted capital budget	95%	86%	Total Capital Programme - all capital projects of all departments totalling R85,997m	95%	10%	30%	50%	95%
						(NKPI- 7a) Debt coverage	Total operating revenue-operating grants received)/debt service payments due within the year. Operating grants will include all grants recognised as grants on the operating budget	15 Times	22 Times	No direct expense	15 Times	Annual Financial Ratio			15 Times
				KFA 19: Financial Management	Improved financial management	(NKPI- 7b) Outstanding service debtors to revenue	Total outstanding service debtors / revenue received for services	19%	25%	No direct expense	19%	Annual Financial Ratio			19%
						(NKPI- 7c) Cost coverage	Available cash + investments / Monthly fixed operating expenditure	1 Month	0.9 of a month	No direct expense	1 Month	Annual Financial Ratio			1 Month
						Liquidity Ratio	Current Assets : Current Liabilities (as per the Statement of Financial Position)	1:1	1.54:1	No direct expense	1:1	Annual Financial Ratio			1:1
	Fin	**KPA 5: FINANCIAL SUSTAINABILITY**	**To ensure the financial sustainability of the municipality in order to adhere to statutory requirements**			Annual budget compilation and approval	Budget prepared and submitted to Council for approval by no later than end May annually	Approved Budget	Approved Budget	No direct expense	Approved Budget	N/A	N/A	Tabled Budget	Approved Budget
						Auditor-General opinion	Auditor-General opinion expressed on Annual Financial Statements (AFS), Predetermined Objectives (PDOs) and Compliance	Clean Audit	Unqualified audit Opinion	Contracted Services: General (Accounting and actuarial services) 0201051090204	Clean Audit	N/A	Clean Audit	N/A	N/A
				KFA 20: Revenue Management	Revenue enhancement and protection	Annual collection rate	Actual amount collected + amounts written off for registered indigents as per the indigent management policy / amount billed for the period	98%	96%	Contracted Services: Debt Collection Commission 0201051090205	96%	96%	96%	96%	96%
				KFA 21: Supply Chain Manage-ment	Improved SCM processes	Percentage compliance with SCM turn-around time standards	Percentage of formal bids concluded within 80 working days - calculated as average time taken from receiving specs until submission of item for approva	90%	New Indicator	Contracted Services: General (SLA with Intenda) 0201051090204	75%	75%	75%	75%	75%
				KFA22: Asset Management (including Fleet Asset Management)	Improved asset management	Percentage of operational budget allocated to repairs and maintenance	Budget for repairs and maintenance as a percentage of the total operating budget (exclusive of departmental charges)	6%	4.39%	R and M Category in the Opex Budget	5.5%	5.5%	N/A		
	Eng	**KPA 6: PHYSICAL INFRASTRUCTURE AND ENERGY EFFICIENCY**	**To ensure efficient infrastructure and energy supply that will contribute to the improvement of quality of life for all citizens within Midvaal**	**KFA 23: Electricity & Energy Efficiency**	To improve energy efficiency	kW/h reduction on street light energy consumption	A plan to monitor energy efficiency for consumption of street lights	1 100 000 kW/h	1 800 000 kW/h	Capex	Energy consumption per annum on street lights to be reduced to 1100000 kW/h	1 100 000 kW/h	1 100 000 kW/h	Monitor	Monitor
	Eng			**KFA 24: Roads & Storm-water Infrastructure**	To maintain roads infrastructure	Number of square meters of tarred roads resealed	Square meters of tarred road resealed (length x width)	75 000 m^2 per annum	75 000 m^2 per annum	Opex	75 000 m^2 per annum	10 000 m^2	25 000 m^2	20 000 m^2	10 000 m^2
	Eng				To plan and construct roads and storm-water infrastructure	Number of kilometres of gravel roads tarred	Km's of gravel roads tarred	8.3 km's (includes 3.5 km for 13/14) per annum	3.5 Km's per annum	Capex	2 Km's	-	1 km	-	1 km
	Eng			**KFA 25: Water & Sanitation Infrastructure**	To plan and construct sewer infrastructure	Number of households connected to the water borne Daleside Sewer Systen	To contruct an internal sewer reticulation system for Daleside	332 households	New	Capex	100 households	-	-	100 households	-
	Comm			**KFA 26: Landfill Sites & Transfer Stations**	To plan, construct and maintain landfill sites and transfer stations	Number of landfill sites with approved permits	Number of landfill sites with approved permits	3 Landfill Sites with approved permits	2 Landfill Sites with approved permits	Opex	1 Landfill Site	-	-	-	1 Landfill Site

MIDVAAL LOCAL MUNICIPALITY
DATE: 25/03/'14

IDP Ref	DEPARTMENT	KEY PERFORMANCE AREA	STRATEGIC OBJECTIVE	KEY FOCUS AREA	PERFORMANCE OBJECTIVE	KEY PERFORMANCE INDICATOR	DEFINITION	5 YEAR TARGET	BASELINE	Budget & Vote	ANNUAL TARGET 2014/2015	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4
	Corp	KPA 7: SERVICE & CUSTOMER CARE	To improve our public relations thereby pledging that our customers are serviced with dignity and care	KFA 27: Municipal & Public Facilities (include in new KFA 11 - Sport & Recreation Programmes & Facilities, including Parks & Open Space)	To maintain municipal buildings under the supervision of Corporate Services	Percentage implementation of building maintenance plan	Percentage of activities identified in building maintenance plan implemented according to the approved annual budget	95 % expenditure per annum	95 % expenditure per annum	Opex	95 % expenditure per annum	Target to be determined in line with plan	Target to be determined in line with plan	Target to be determined in line with plan	Target to be determined in line with plan
	Eng			KFA 28: Water & Sanitation	To provide sustainable, reliable and affordable water and sanitation services to all residents	Percentage reduction of water losses	kL water purchased divided by kL of water accounted for	22.00%	24%	Capex and Opex	23.50%	-	-	-	23.50%
	Eng			KFA 29: Electricity	To provide sustainable, reliable and affordable electricity to all residents	Percentage reduction of electricity losses	kW/h electricity purchased divided by kWh ofelectricity accounted for	8%	12%	Capex and Opex	11%	-	-	-	11%
	Comm			KFA 30: Cleansing & Waste Management	To provide sustainable, reliable and affordable waste disposal services to all residents	Number of formal households with access to refuse removal services	Number of house-holds levied divided by the number of formal households	*100% of formal households with access to refuse removal.*	*15195 Door to Door*	Opex	*100% of 10794 formal households with access to refuse removal.*				
	Corp			KFA 31: Customer & Relations	To develop, implement and maintain sound relations with all customers	Review the Services Charter in terms of contact details	Services Charter to be annually reviewed and updated to ensure relevant contact details are updated	1 x report per annum	Approved Services Charter	Opex	1 x report per annum	Review Services Charter	Draft report	-	-
	DP & H	KPA 8: ECONOMIC GROWTH & DEVELOPMENT	To facilitate sustainable economic empowerment for all communities within Midvaal and enabling a viable and conducive economic environment through the development of related initiatives including job creation and skills development	KFA 32: Local Economic Development (LED) & Capacity Building	To facilitate and promote local economic growth and develop the skills capacity of the local community	Number of jobs created through the municipality's local economic development initiatives	Actual jobs created with commercial developments								
	DP & H				To facilitate and promote local economic growth	Report on number of regis-trations on the local em-ployment creation database	Report on job creation based on local employment figures obtained through company surveys and data collected from applications for occupancy certificates	20 Reports	(New indicator) 1 report per quarter	N/A	4 Reports on job creation	1 Report	1 Report	1 Report	1 Report
	DP & H			KFA 33: Spatial & Development Planning	To plan and execute spatial development planning	Solicit funding for the compilation of a Rural Development Plan	Funding to be secured for the compilation of a Rural Development Plan for the DM								
					To develop and maintain integtated spatial planning plans, policies, processes and procedures	Review the Spatial Develop-ment Plan annually	Compilation and annual review of an SDF in terms of the Municipal Systems Act	Annualy reviewed SDF	1 SDF per Annum	N/A		Situational analysis completed	Public Participation and draft framework	Draft capital investment plan	Draft SPLUMA compliant SDF submitted into Council Cycle for concideration

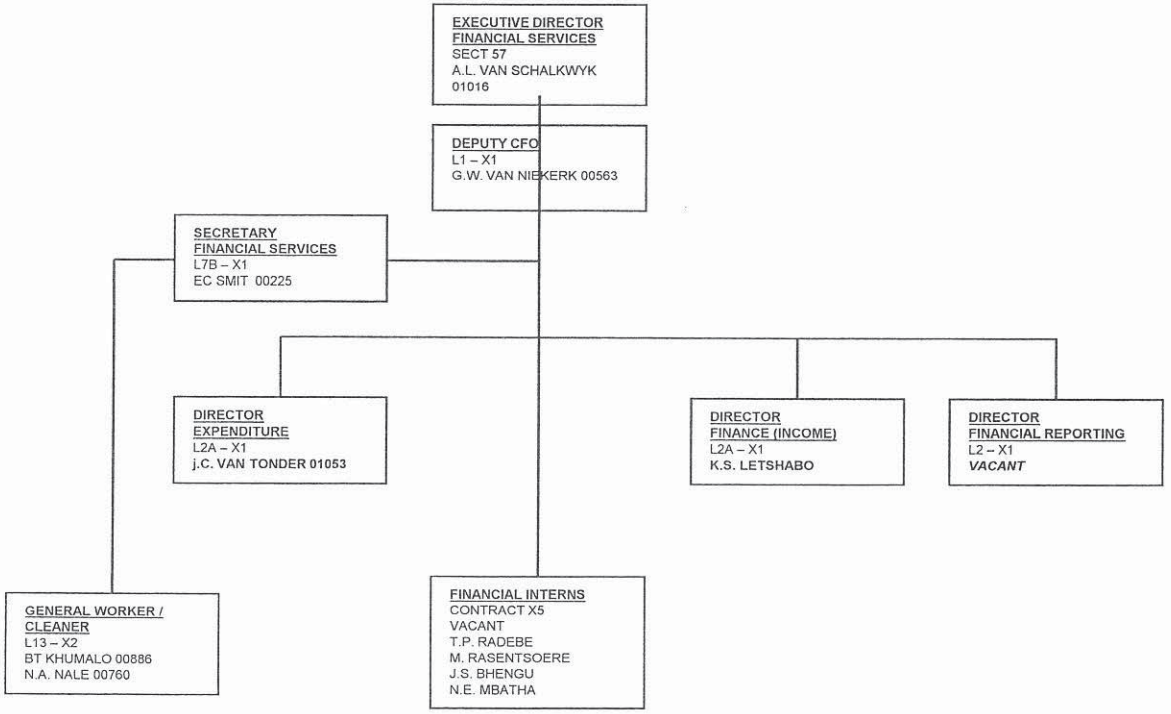
MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/14

FINANCIAL SERVICES



Organisational Structure – Financial Services

(Amended January 2013/2014)



MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/14

Checked by HR:		Date:	07/03/14
Approved by Finance:		Date:	7/3/14
Approved by HOD:		Date:	10/3/14
Approved by MM:		Date:	12/3/14

Organisational Structure – Financial Services - Expenditure

(Amended January 2013-2014)

MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/'14

DIRECTOR EXPENDITURE
L2A – X1
J.C. VAN TONDER

DEPUTY DIRECTOR SCM
L3 – X1
C. KEARNS 00033

ASSISTANT DIRECTOR EXPENDITURE
L4 – X1
GS KRUGER 28746

ASSISTANT DIRECTOR FINANCIAL CONTROL
L4 – X1
Y WHITE 01185

ASSISTANT DIRECTOR LOGISTICS
L4 – X1
MS LETSATSI 00669

ACQUISITION OFFICER
L5 – X1
FROZEN

ACCOUNTANT SUPPLY CHAIN MANAGEMENT
L5 - X1
RB AUSTIN 00403

ACCOUNTANT CONTRACT MANAGEMENT
L5 – X1
FROZEN

SUB ACCOUNTANT PROCUREMENT
L6 – X1
F POWELL 489

SUB ACCOUNTANT BID EVALUATION COMMITTEE
L6 – X1
VACANT

SUB ACCOUNTANT BID SPECIFICATION COMMITTEE
L6 – X1
NM MAZINGELA 00678

SUB ACCOUNTANT CREDITORS/ADMIN
L6 – X1
D. NDIMANDI 00898

SUB ACCOUNTANT FINANCIAL CONTROL
L6 –X2
M. BALOYI 00733
F JONAS 00897

CHIEF CLERK PAY OFFICE
L7 – X1
MI VOSLOO 00012

CHIEF CLERK BANK CONTROL
L7 –X1
FROZEN

SNR CLERK CREDITORS ADMIN
L8 – X1
LE MAJA 00045

SNR CLERK BUYER
L8 – X2
RT MASINGE 1084
VACANCT X1

SNR CLERK PAY OFFICE
L8 X1
VACANT

SNR CLERK CREDITORS/ADMIN
L8 – X1
L DE BRUIN 00109

SNR CLERK ASSETS
L8 – X1
GP DU KOKER 00238

SNR CLERK FINANCIAL CONTROL
L8 – X1
M FILMALTER 00378

CLERK SCM
L9 – X1
P MOETI 00581

CLERK CREDITORS/ADMIN
L9 – X2
MB MOFOKENG
VACANT

STOREMAN
L9 – X2
S SEBILOANE 00301
JG LOMBAARD 00630

ASSISTANT STORES CLERK
L10 – X1
FROZEN

GENERAL WORKER STORES
L13 – X1
AB PHAKATHI 00956

Checked by HR: _____ Date: 12/3/14

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Organisational Structure – Financial Services - Income

(Amended January 2013-2014)

Checked by HR: _____ Date: 07/03/14

Approved by Finance: _____ Date: 7/3/14

Approved by HOD: _____ Date: 10/3/14

Approved by MM: _____ Date: 12/3/14

MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/'14

DIRECTOR FINANCE (INCOME)
L2A – X1
K.S. LETSHABO

ASSISTANT DIRECTOR INCOME SERVICES
L4 – X1
A MEIRING 00671

SUB ACCOUNTANT INCOME SERVICES
L6 – X1
JF DE WINNAAR 28835

CHIEF CLERK INCOME SERVICES
L7 – X1
T SERIBETSO 00570

CHIEF CLERK INCOME BILLING
L7 – X1
VACANT

SNR CLERK INCOME DATA SERVICE DELIVERY
L8 – X1
HP SCUTTS 30747

SNR CLERK INCOME CASHIERS
L8 – X1
AM DU PLESSIS 00997

INFORMATION DESK OFFICER
L9 – X1
J. DLAMINI 00754

CASHIER VAAL MARINA
L9 – X1
N.A. FICK 00933

CASHIER DE DEUR
L9 – X1
F KHOZA 00940

CASHIER RANDVAAL
L9 – X1
H. WARD 00667

CASHIER MEYERTON
L9 – X1
R.N. MOKOENA 00999

CASHIER MEYERTON
L9 – X1
DJ LETSHELE 01013

RELIEF CASHIER
L9 – X1
VACANT

ASSISTANT DIRECTOR RATES AND CREDIT CONTROL
L4 – X1
VACANT

ACCOUNTANT VALUATION PROPERTY ADMIN
L5 – X1
BL FRANCIS 00229

ACCOUNTANT DEBT COLLECTION & DEBT RECONCILIATION
L5 – X1
G HERHOLDTS 00867

SUB ACCOUNTANT RATES & SUNDRY DEBT
L6 – X1
M.M. TSOAELI 00696

SUB ACCOUNTANT DEBT COLLECTION
L6 –X2
A VENTER 21265

CHIEF CLERK BANK INCOME
L7 – X2
NM MOLEDI 00071
CJ FOURIE 28862

CHIEF CLERK DEBT COLLECTION
L7 – X2
E BRONKHORST 00622
J. RAMAKOLOI 00511

SNR CLERK INCOME STATISTICS
L8 – X1
M.M. SEPHIRI 00732

SNR CLERK CLEARANCE CERTIFICATE (INCOME)
L8 – X2
NT MAZIBUKO 01035
L.V MOTAUNG 00748

SNR CLERK SUDNDRY DEBT & RECON
L8 – X1
S MPHAGO 00173

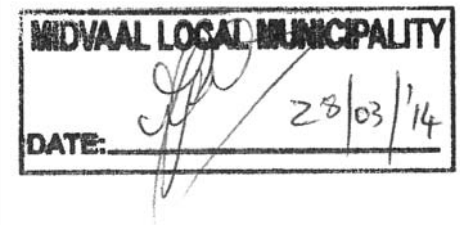
SNR CLERK DEBT COLLECTION
L8 – X1
L FUNEKA 00533

CLERK INCOME STATISTICS
L9 – X1
VACANT

CLERK INDIGENT ADMINISTRATION
L9 – X1
L. BIKITSHA

CLERK DEBT COLLECTION
L9 – X2
L. LE ROUX 00829
VACANT

MANAGEMENT SERVICES



Organisational Structure – Management Services

(2014/2015)

MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/'14

Checked by HR:		Date: 07/03/2014
Approved by Finance:		Date: 7/3/14
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Approved by MM:		Date: 13/3/14

EXECUTIVE DIRECTOR MANAGEMENT SERVICES
SECT 57
LB MOTSUKUNYANE
00014

SECRETARY MANAGEMENT SERVICES
L7B – X1
JN EILERD 00364

DIRECTOR MANAGEMENT SERVICES
L2A – X1
FROZEN

DEPUTY DIRECTOR EAP , BENEFITS AND HR EVENTS
L3A – X1
A McCALLUM 00770

ASST DIRECTOR: EAP & BENEFITS
L4 - X1
ALM MKAZA 00376

ADMIN OFFICER EAP & BENEFITS
L6 – X1
L. LOUW 0002

ADMIN CLERK: CLOCKING SYSTEM & BENEFITS
L8 – X1
MS MOLOTSI 00308

EAP, HIV/AIDS ASSISTANT
L9 – X1
FROZEN

RECEPTIONIST
L9 – X1
N.S. RADEBE

GENERAL WORKER/CLEANER
L13 – X2
P.I. MOKGWELWA 01074
FROZEN

DEPUTY DIRECTOR PROSECUTION
L3A – X1
VACANT

ASST DIRECTOR RECRUITMENT & PERSONNEL
L4 – X1
A SCUTTS 00197

ADMIN OFFICER RECRUITMENT & PERSONNEL
L6 – X1
RH MONNAKGOTLA 00962

SNR. CLERK RECRUITMENT
L8 – X1
A.A. LLOYD 00901

HUMAN RESOURCES CLERK
L9 – X1
VACANT

ASST DIRECTOR HUMAN CAPITAL
L4 –X1
SM NHLAPO 00672

TRAINING OFFICER
L6 – X2
ZG NGCONGWANE 639
I.M. MBONGO 1059

ASSISTANT TRAINING OFFICER
L7 – X1
FROZEN

TRAINING ASSISTANT
L9 – X1
FROZEN

INTERNS
CONTRACT
X 16

DEPUTY DIRECTOR PRESIDING
L3A – X1
VACANT

ASST DIRECTOR LABOUR RELATIONS & OHS
L4 – X1
PM PILANE 00385

LABOUR RELATIONS OFFICER
L6 –X1
MD FAKUDE 00626

LABOUR RELATIONS CLERK
L9 – X1
FROZEN

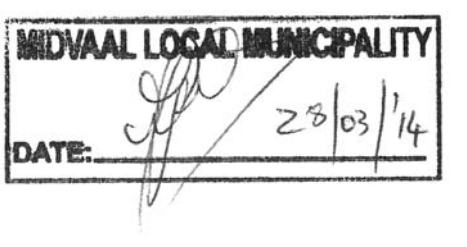
LABOUR RELATIONS OFFICER PROSECUTION
L6 – X2
NDULI 00803
FROZEN

OCCUPATIONAL HEALTH & SAFETY OFFICER
L6 – X1
D SWART 628

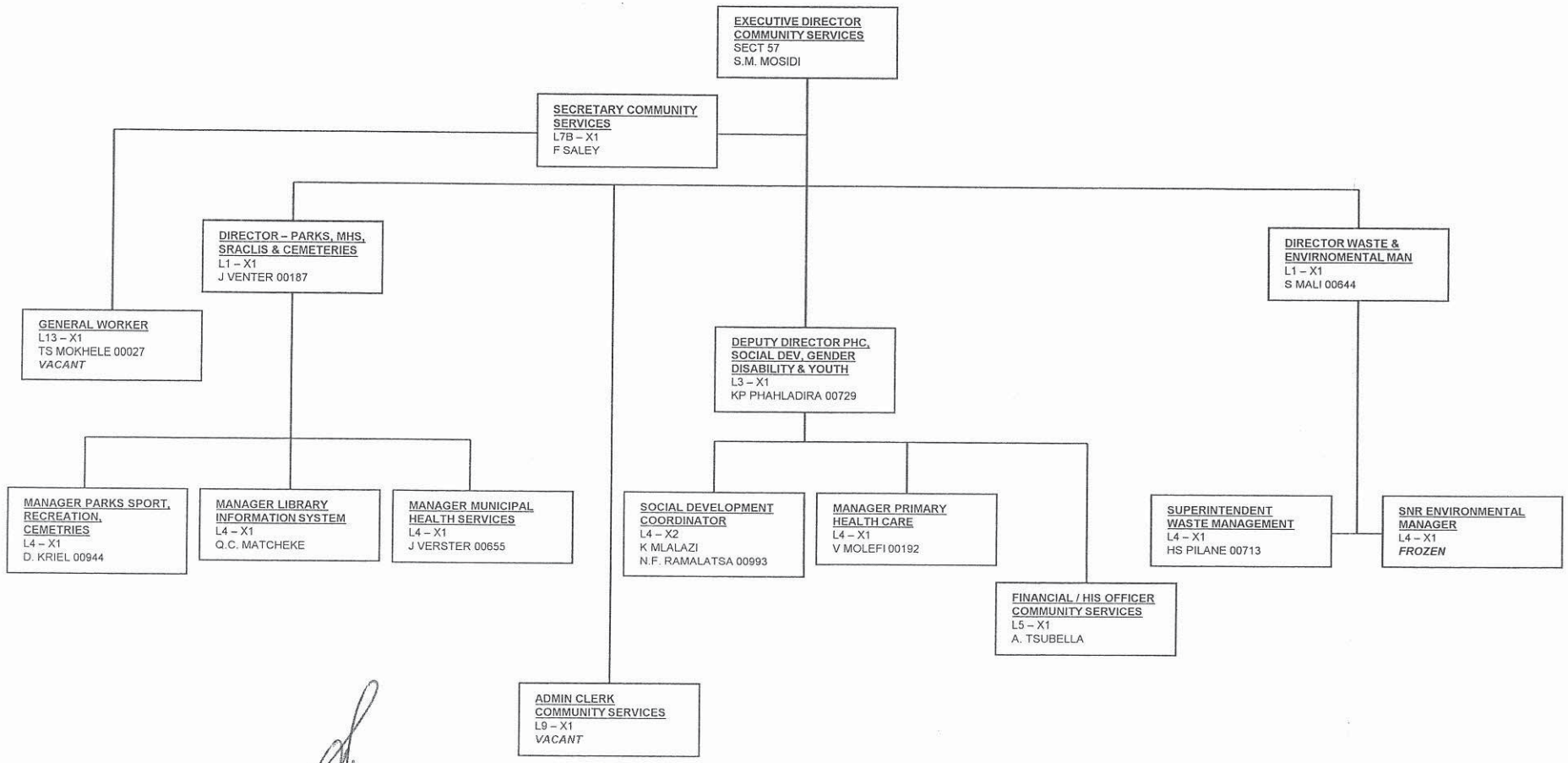
SNR OHS CLERK
L8 – X1
MM MASOLA 00568

OCCUPATIONAL HEALTH & SAFETY CLERK
L9 – X1
VACANT

COMMUNITY SERVICES



Organisational Structure – COMMUNITY SERVICES
2014/2015



Checked by HR:		Date: 07/03/14
Approved by Finance:		Date: 7/3/14
Approved by HOD:	pp S Mosidi	Date: 12/03/14
Approved by MM:		Date: 12/3/2014

MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/14

Organisational Structure – COMMUNITY SERVICES

Libraries (2014/2015)

Checked by HR: _____ Date: 07/03/14

Approved by Finance: _____ Date: 7/3/14

Approved by HOD: pp _____ Date: 11/03/14

Approved by MM: _____ Date: 12/3/2014

MANAGER LIBRARY INFORMATION SERVICES
L4 –X1
Q.C. MATCHEKE

SENIOR LIBRARIAN
L5 – X1
FROZEN

SICELO LIBRARY

MEYERTON LIBRARY

E-LEARNING CENTRE

OUTREACH & MARKETING

CATALOGUEING

LIBRARIAN
L6 – X1
FROZEN

SNR ASSISTANT LIBRARIAN - SICELO
L7 – X1
S MANANA 00133

ADMIN CLERK SICELO LIBRARY
L9 – X1
M MOFOKENG

GENERAL WORKER / CLEANER
L13 – X1
MS TSOTSO 00734

LIBRARIAN MEYERTON LIBRARY
L6 – X1
J ZWANE - 978

E-LEARNING FACILITATOR MEYERTON LIBRARY
L6 – X1
PG NHLAPO 00529

LIBRARIAN MEYERTON LIBRARY
L6 – X1
L RALPH 00338

SNR ASSISTANT LIBRARIAN - MEYERTON
L7 – X1
VACANT

ASSISTANT LIBRARIAN - MEYERTON
L8 – X1
R OMAR - 804

ASSISTANT LIBRARIAN - MEYERTON
L8 – X1
P MATITWANE 00036

ASSISTANT LIBRARIAN - MEYERTON
L8 – X1
J MOTAUNG 00297

ASSISTANT LIBRARIAN - MEYERTON
L8 – X1
FJ JIYANE 00161

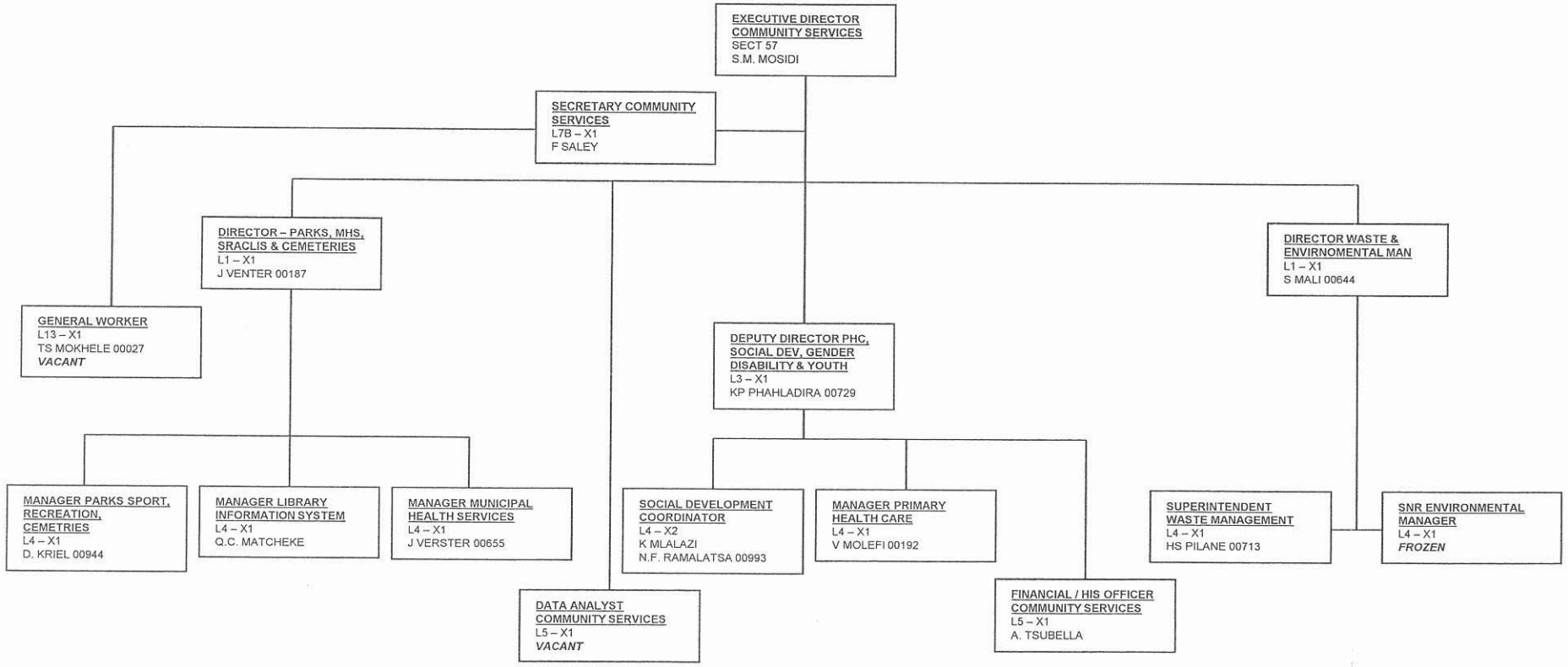
ADMIN CLERK MEYERTON LIBRARY
L9 – X1
NM HLATSWAYO

ADMIN CLERK MEYERTON LIBRARY
L9 – X1
L KETEYI 13451

GENERAL WORKER / CLEANER
L13 – X1
NP MSIMANGA 1088

MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/14

Organisational Structure – COMMUNITY SERVICES
2014/2015



Checked by HR:		Date: 07/03/14
Approved by Finance:		Date: 7/4/13
Approved by HOD:	pp	Date: 11/03/14
Approved by MM:		Date: 12/3/14

MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/14

Organisational Structure – COMMUNITY SERVICES

Parks & Cemeteries (2014/2015)

Checked by HR: _____ Date: 07/03/14

Approved by Finance: _____ Date: 7/3/14

Approved by HOD: pp _____ Date: 11/03/14

Approved by MM: _____ Date: 12/3/14

MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/'14

MANAGER PARKS SPORT, RECREATION, CEMETRIES
L4 – X1
H.M. KRIEL 00944

FOREMAN GRASS CUTTING & TRACTORS
L6 –X1
LJ NHLAPO 28931

FOREMAN GRASS CUTTING & TRACTORS
L6 –X1
K. GWEBU 28894

FOREMAN GRASS CUTTING & TRACTORS
L6 –X1
S TSELE 01063

SPORTS DEVELOPMENT OFFICER
L6 – X1
JS KOEITHING 00952

SPECIAL WORKSMAN GROUNDSMAN
L8 –X1
FROZEN

SPECIAL WORKSMAN GROUNDSMAN
L8 – X1
FROZEN

SPECIAL WORKSMAN IRRIGATION
L8 –X2
M MATLA 00517
FROZEN

ADMIN CLERK / TYPIST PARKS & CEMETRIES
L9 –X1
E. ELFORD 00751

FACILTY CARETAKER
L11 –X2
C. MNISI 00366
ZP TSHAWE 00186

STOREMAN PARKS
L10 –X1
KB RADEBE 28678

TRUCK DRIVER – EC1 PARKS
L10 –X1
FJ MOTAUNG 01123

TRUCK DRIVER (EC1)
L10 –X2
J.M. NGUBENI 00925

TRUCK DRIVER (EC1) TREE TEAM
L10 –X1
D MAKHALAMELA 28734

TRUCK DRIVER (EC1) TREE TEAM
L10 –X1
M D MOLISE 00875

TRACTOR DRIVER PARKS
L11 – X14
FROZEN X 3
VACANT X 2

KJ TSUMO 28683
BD LETEBELE 01122
A KWINDA 00825
B TSHABALALA 00280
A MATOMA 00305
L SEHANKA 00231
S KHONKOTHA 00595
F FANTISI 00464
TE MOKHASI 1087
VACANT X2
FROZEN X 3

MACHINE OPERATOR PARKS
L12 X9

LI MADIEHE 01073
A MOFOKENG 28689
S MATJAMA 00838
EN MATOMANE 32049
PM MAZIBUKO 00824
A MABOTE 00411
FROZEN X3
VACANT X2

MACHINE OPERATOR SPORTSFIELD
L12 X9

J MOKOETLA 32061
T SEOBI 00632
MC MLANGENI 00059
MM BEBEZA 32023
D MOTAUNG 32064
J SABA 00054

CHAINSAW OPERATOR
L12 –X2
A MBELE 32070
T.S. NDABA 00975

GENERAL WORKER CLEANER
L13 –X2
N. MAFUXWANA
VACANT X1

GENERAL WORKER NURSERY
L13 –X2
VM TYESI 00871
FROZEN

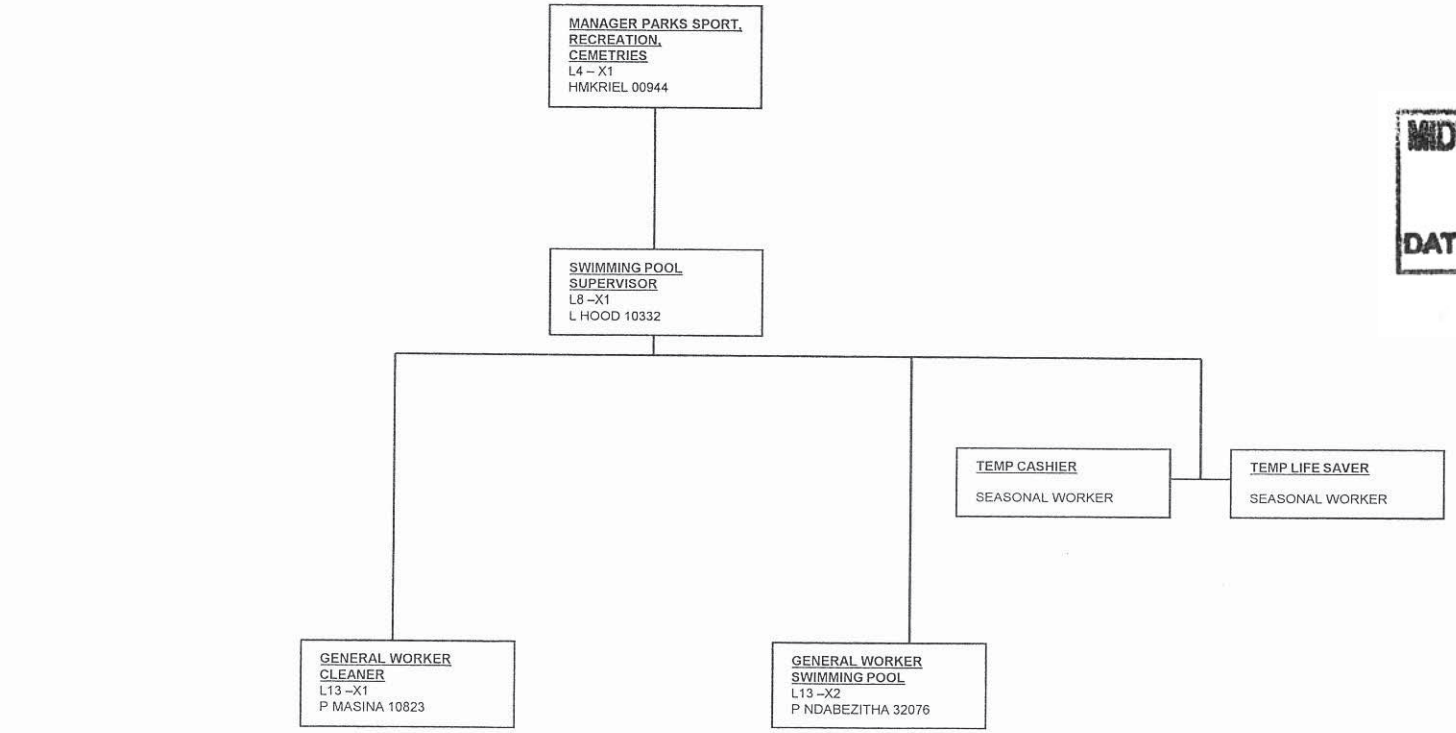
GENERAL WORKER PARKS
L13 –X2
M.L.NXODO 00945
FROZEN

GENERAL WORKER PARKS
L13 –X2
TJ BUTHELEZI
TP MASOPA 00872

GENERAL WORKER PARKS TREES/IRRIGATION
L13 –X2
A RALEQHEKA 32081
FROZEN

Organisational Structure – COMMUNITY SERVICES

Swimming pool (2014/2015)

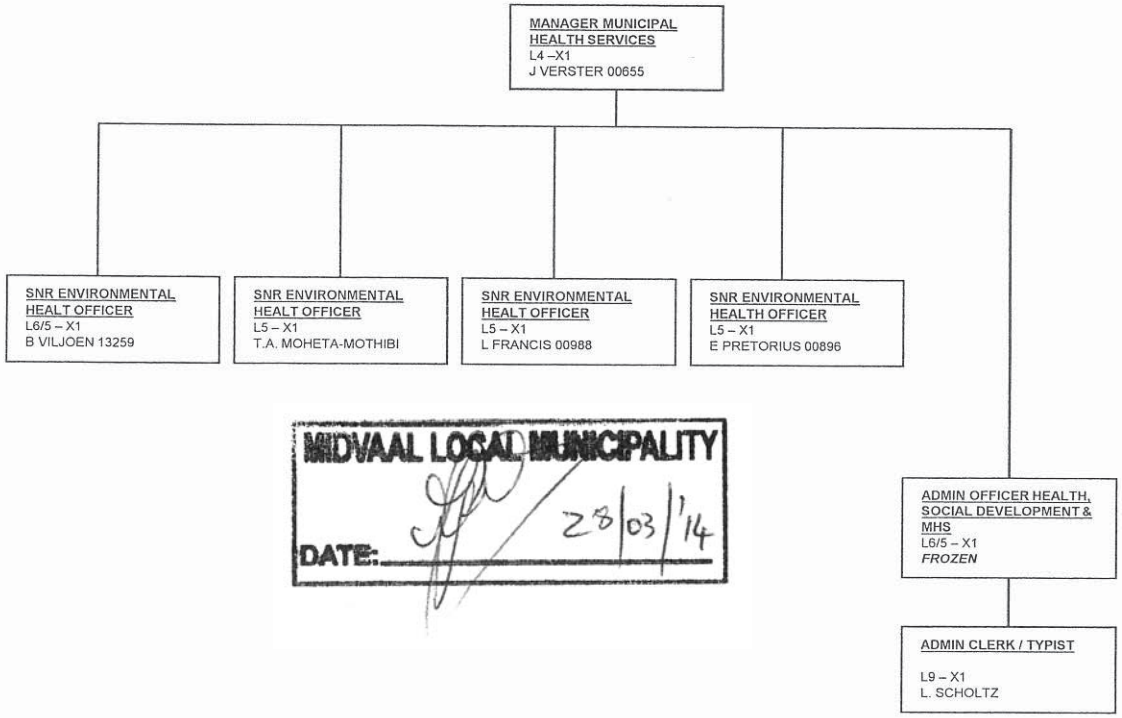


MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/14

Checked by HR:		Date: 07/05/14
Approved by Finance:		Date: 7/3/14
Approved by HOD:	pp	Date: 11/03/14
Approved by MM:		Date: 12/3/14

Organisational Structure – COMMUNITY SERVICES

Environmental Health (2014/2015)



MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/'14

Checked by HR: _____ Date: 07/03/14

Checked by Finance: _____ Date: 7/3/14

Approved by HOD: pp _____ Date: 11/03/14

Approved by MM: _____ Date: 12/3/14

Organisational Structure – COMMUNITY SERVICES

Health & Social Development (2014/2015)

Checked by HR: _____ Date: 07/03/14

Approved by Finance: _____ Date: 7/3/14

Approved by HOD: pp _____ Date: 11/03/14

Approved by MM: _____ Date: 12/3/14

MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/14

DEPUTY DIRECTOR PHC, SOCIAL DEV, GENDER DISABILITY & YOUTH
L3 – X1
KP PHAHLADIRA 00729

CHIEF MEDICAL OFFICER (MEYERTON CLINIC)
L3 – X1
N. CHETTY (GDH)

MANAGER PRIMARY HEALTH CARE
L4 – X1
V MOLEFI 00192

SOCIAL DEVELOPMENT COORDINATOR
L4 – X2
K. MLALAZI
N RAMALATSA 00993

RANDVAAL CLINIC

MEYERTON CLINIC

KOOKRUS CLINIC

CHIEF PROFESSIONAL NURSE
L5 – X1
FROZEN

CHIEF PROFESSIONAL NURSE
L5 – X1
S MYAKA 00676

DRIVER HEALTH SERVICES
L11 – X1
PM THULO 00526

CHIEF PROFESSIONAL NURSE
L5 – X1
EM PRETORIUS 13266

PROGRAMME COORDINATOR (HIV/AIDS)
L5 – X1
L VAN ASWEGEN 00170

SNR PROFESSIONAL NURSE
L7/6 – X1
FROZEN

SNR PROFESSIONAL NURSE
L7/6 – X4
GDH

MC NHLAPO 00518
MJ MAKHETHI 00470

SNR / PROFESSIONAL NURSE
L7/6 – X2
GDH

PROFESSIONAL NURSE
L7/6 – X4

GDH

SNR / PROFESSIONAL NURSE
L7/6 – X1
B DE BRUIN 80107

SOCIAL DEVELOPMENT OFFICER
L7 – X1
FROZEN

RECEPTIONIST / ADMIN CLERK
L8 – X1
L MPAKA 00474

RECEPTIONIST / ADMIN CLERK
L8 – X1
M VILAKAZI 00363

ENROLLED/ STAFF NURSE
L8 – X1
GDH

ADMIN CLERK CLINICS
L8 – X1
MM MORAILANE 00584

STAFF NURSE
L8 – X1

GDH

RECEPTIONIST / ADMIN CLERK
L8 – X1
IM MONAHENG 00299

SOCIAL AUXILIARY WORKER
L9 – X1
FROZEN – (CONTRACT)

ENROLLED NURSING ASSISTANT
L9 – X2
LA MAKHUBO 01177
FROZEN

ENROLLED NURSING ASSISTANT
L9 – X1
MJ MOGOTSI 00519

COMMUNITY HEALTH WORKER
L9 – X1
FROZEN (Budget 0)

GENERAL WORKER / CLEANER
L13 – X2
NJ MPUNGOSE 00177
MS KELE 80182

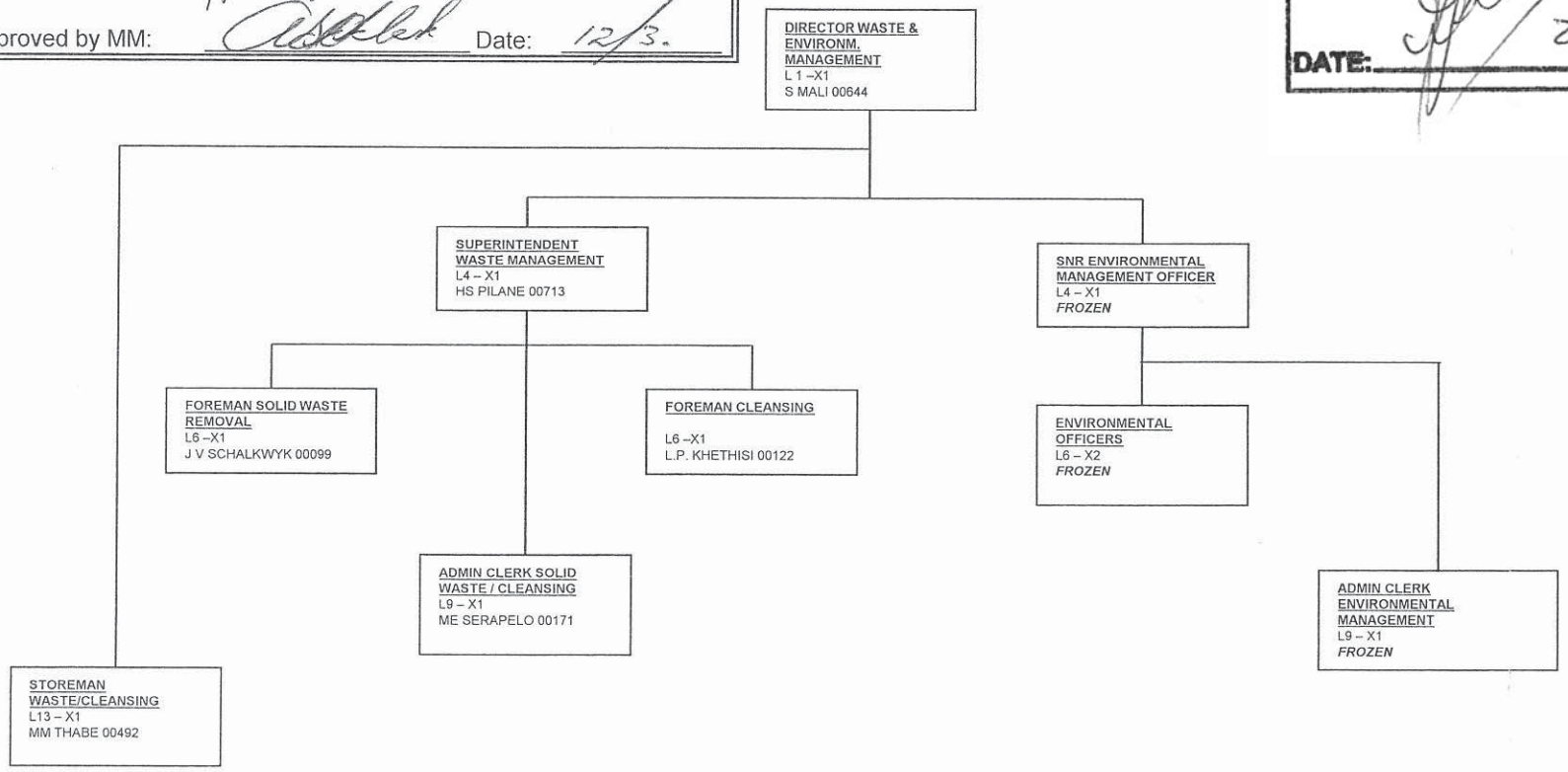
GENERAL WORKER / CLEANER
L13 – X1
S. MALIWA 00961

Organisational Structure – COMMUNITY SERVICES

Cleansing & Waste Management (2014/2015)

Checked by HR:		Date:	07/03/14
Approved by Finance:		Date:	7/3/14
Approved by HOD:	pp	Date:	11/03/14
Approved by MM:		Date:	12/3.

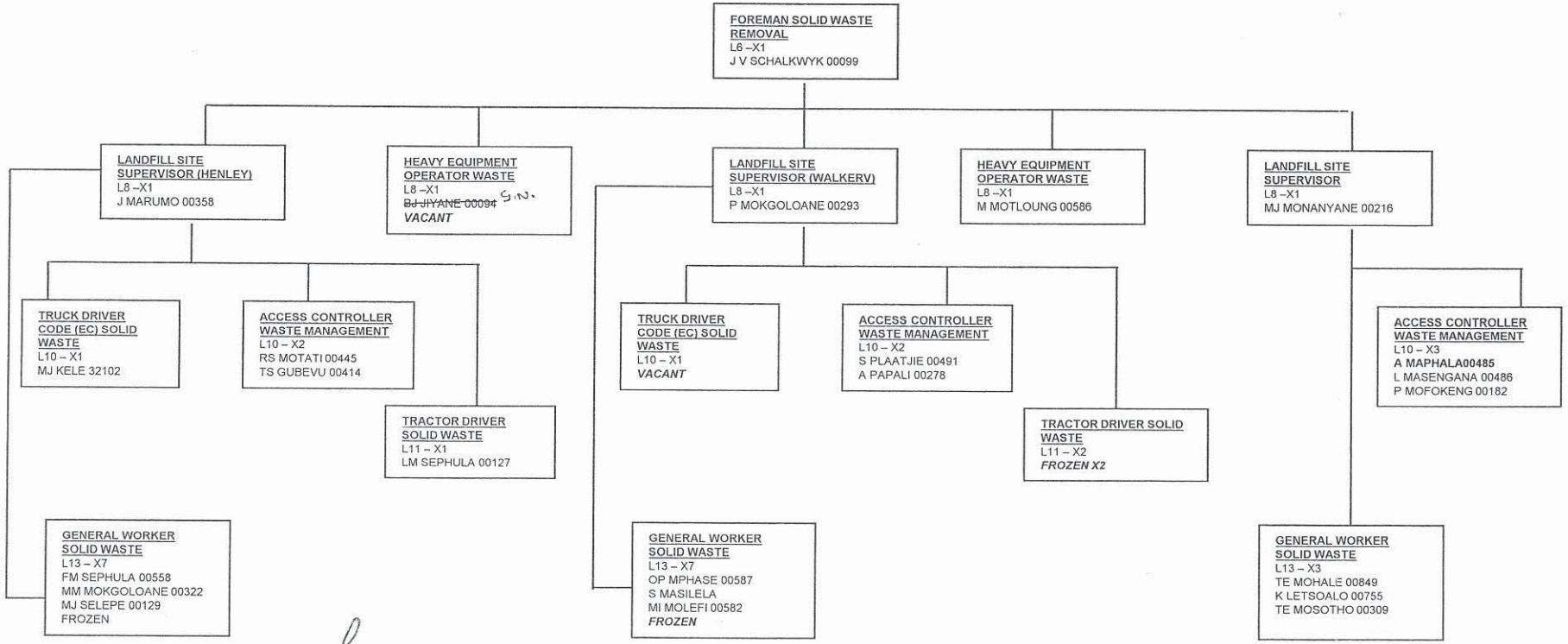
MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/14



Organisational Structure – COMMUNITY SERVICES

Waste Management

(2014/2015)



Checked by HR: _____ Date: 07/03/14

Approved by Finance: _____ Date: 7/3/14

Approved by HOD: pp _____ Date: 11/03/14

Approved by MM: _____ Date: 12/3/14

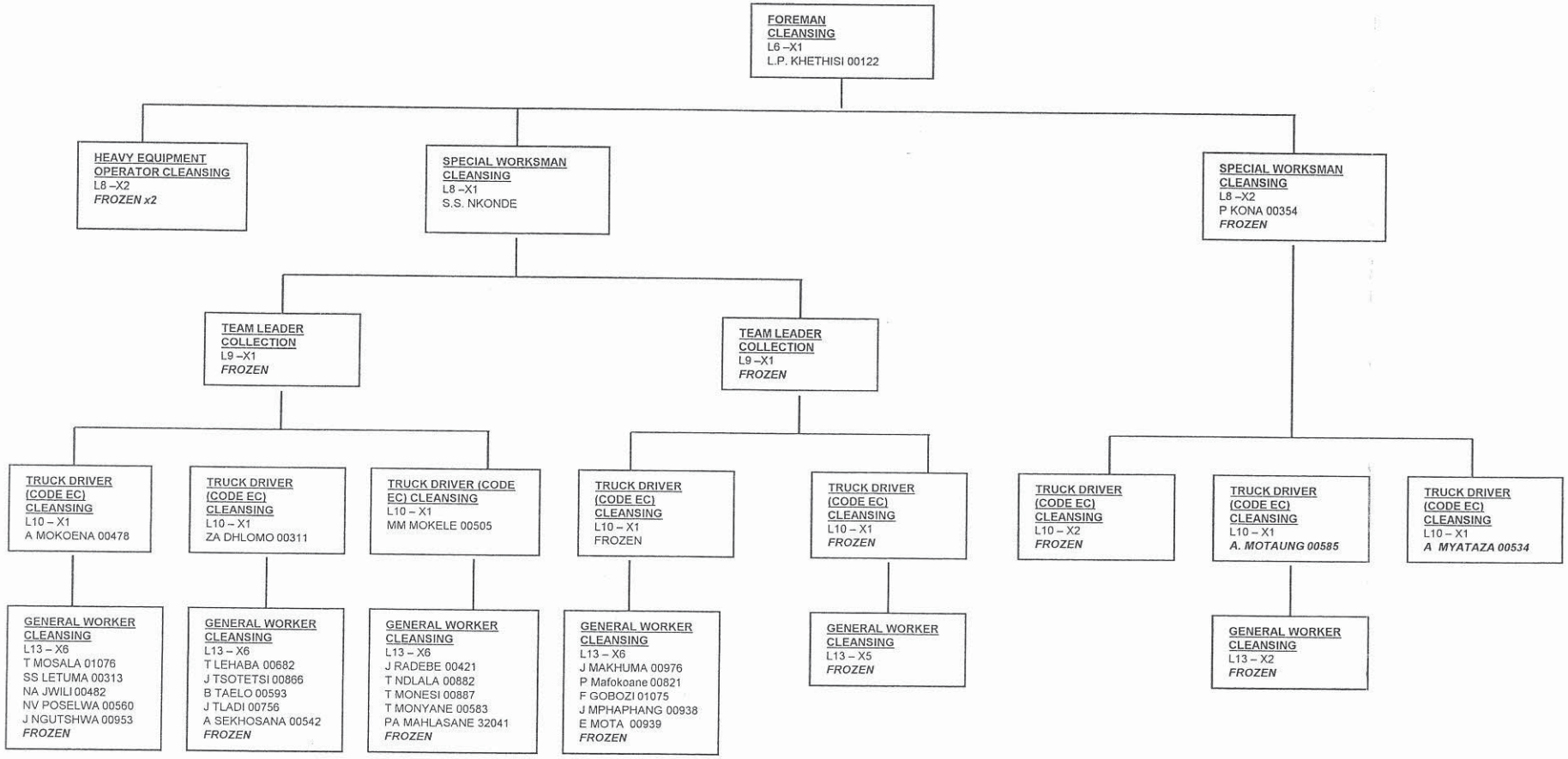
MIDVAAL LOCAL MUNICIPALITY

DATE: 28/03/14

Organisational Structure – COMMUNITY SERVICES

Cleansing

(2014/2015)

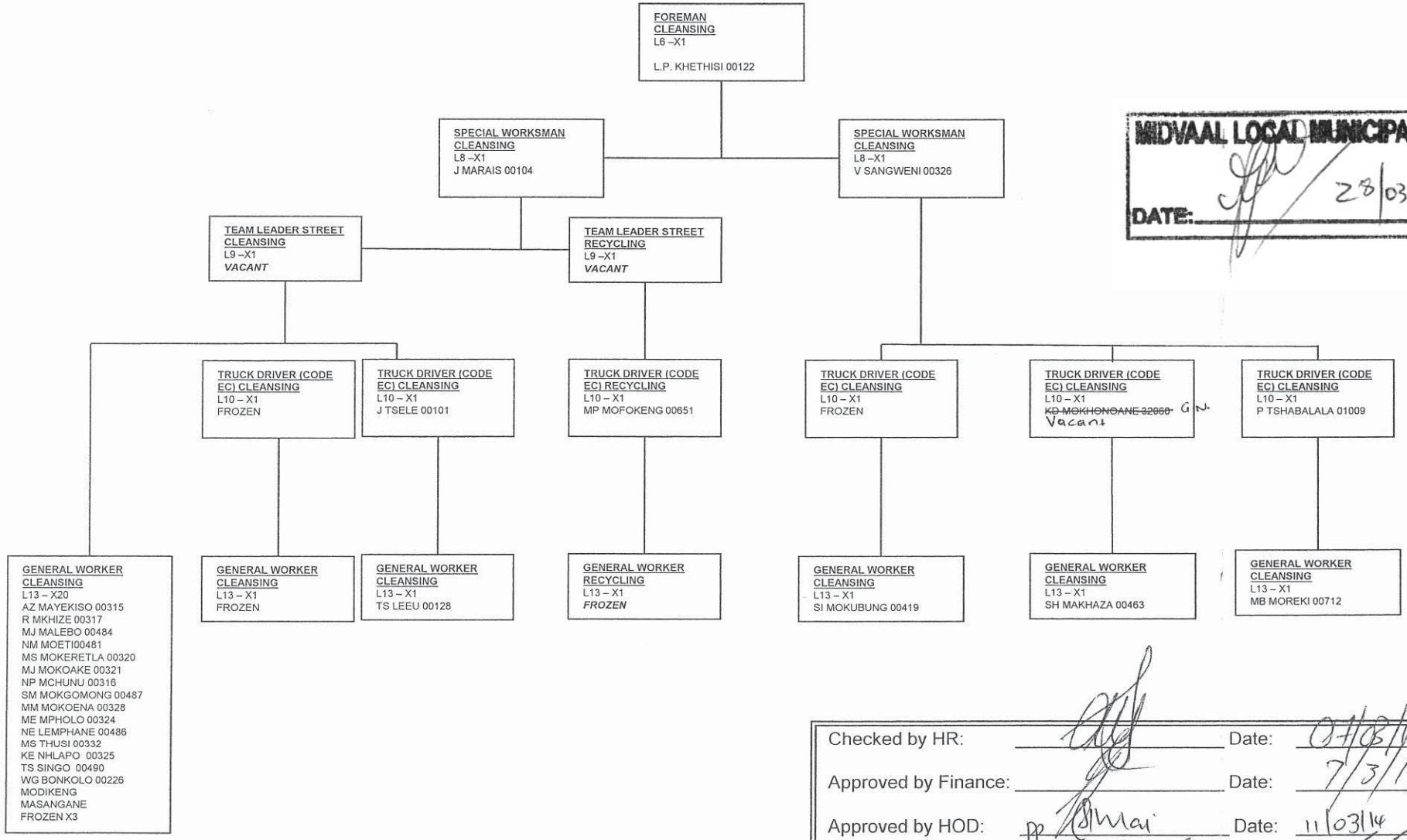


MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/14

Checked by HR:		Date: 01/03/14
Approved by Finance:		Date: 7/3/14
Approved by HOD:	pp	Date: 11/03/14
Approved by MM:		Date: 12/3/14

Organisational Structure – COMMUNITY SERVICES

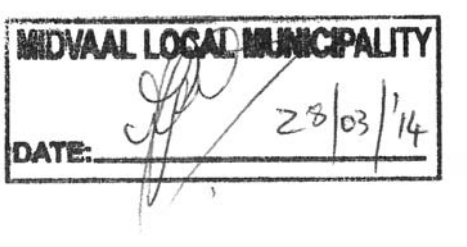
Cleansing (2014/2015)



MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/14

Checked by HR:		Date:	04/03/14
Approved by Finance:		Date:	7/3/14
Approved by HOD:	pp	Date:	11/03/14
Approved by MM:		Date:	12/3/14

ENGINEERING SERVICES



Organisational Structure – ENGINEERING SERVICES

(2014/2015)

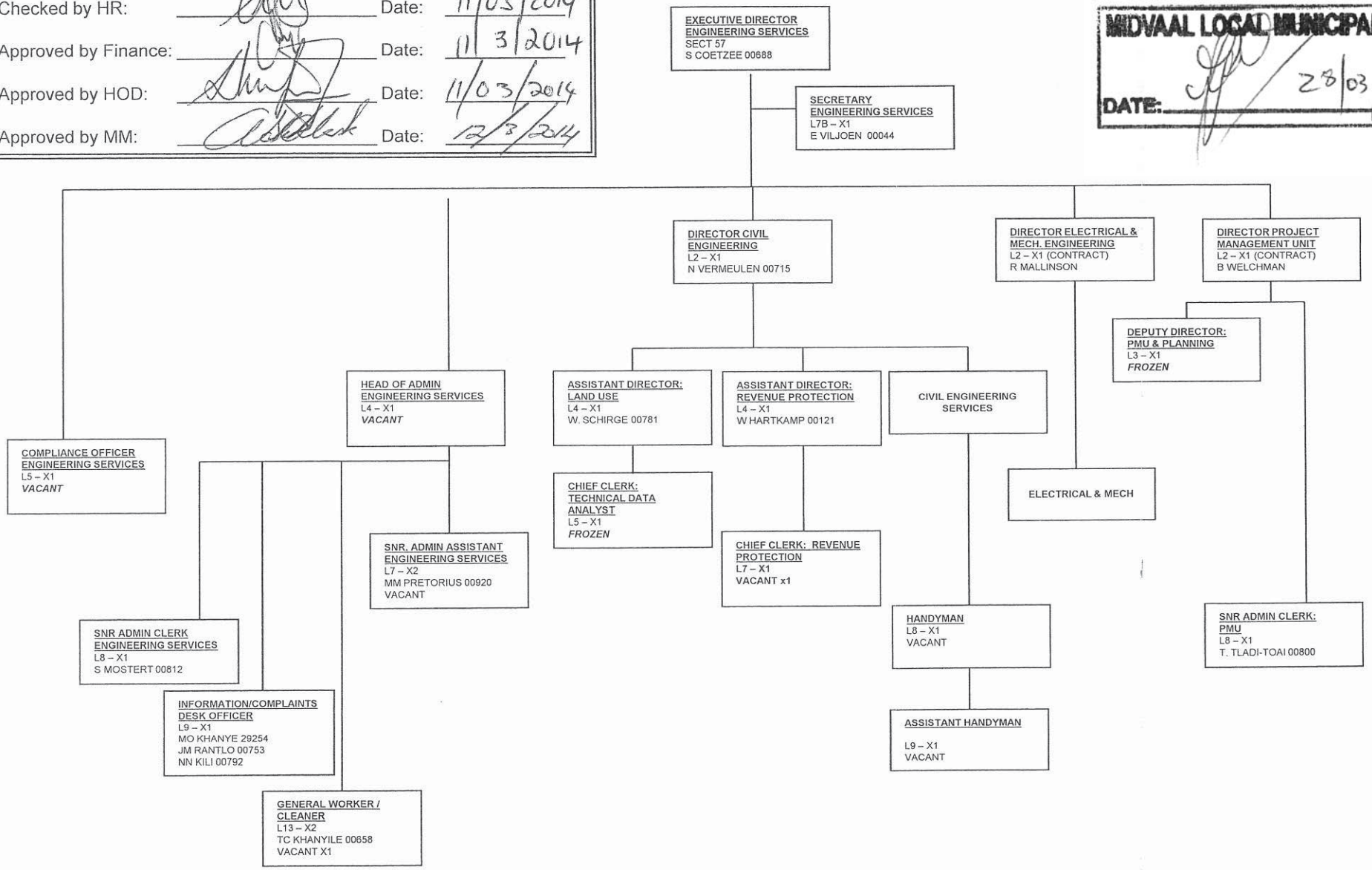
Checked by HR: _____ Date: 11/03/2014

Approved by Finance: _____ Date: 11/3/2014

Approved by HOD: _____ Date: 11/03/2014

Approved by MM: _____ Date: 12/3/2014

MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/'14



Organisational Structure – ENGINEERING SERVICES – Mechanical Workshop

(2014/2015)

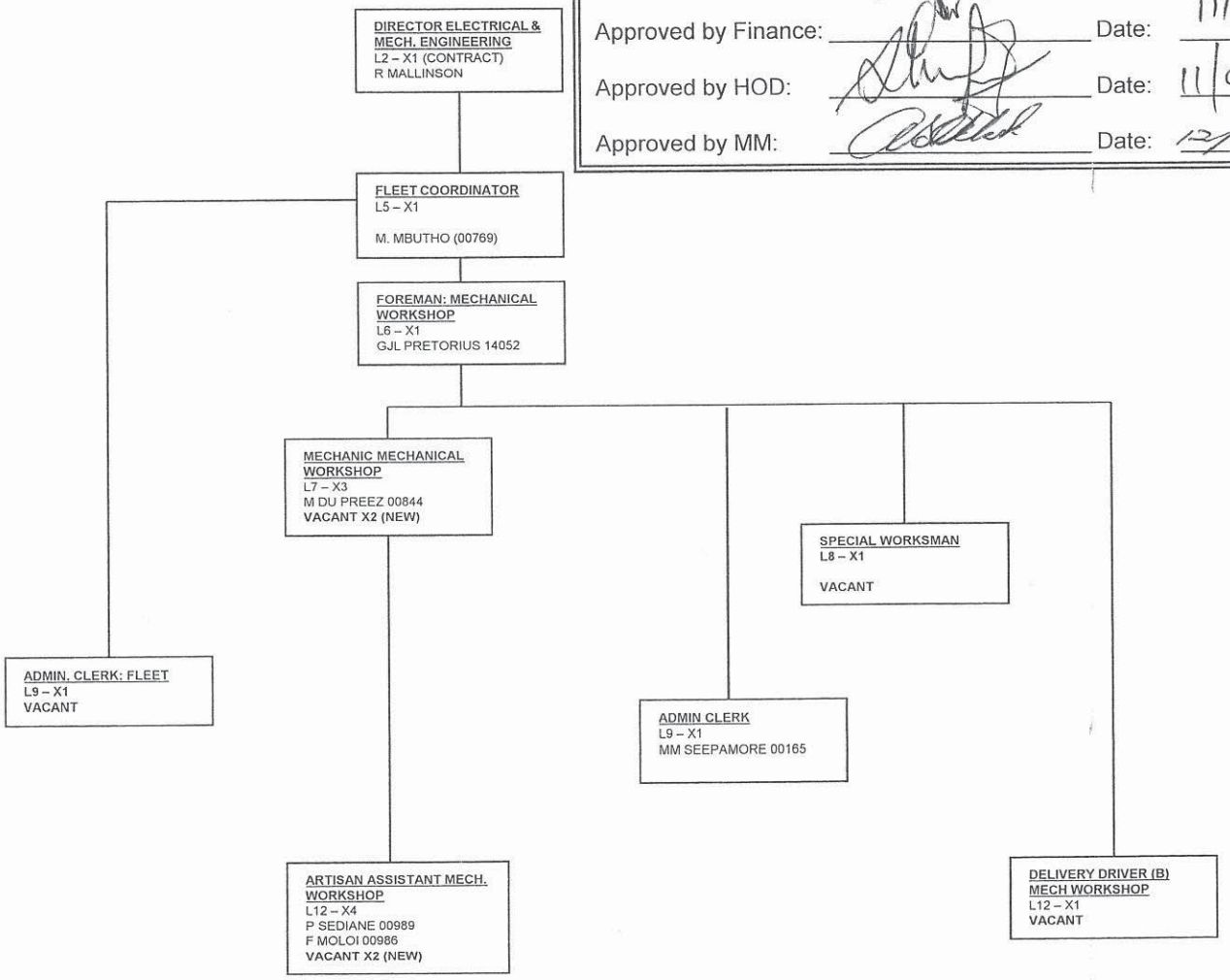
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Approved by Finance: _____ Date: 11/3/2014

Approved by HOD: _____ Date: 11/03/2014

Approved by MM: _____ Date: 12/3/2014

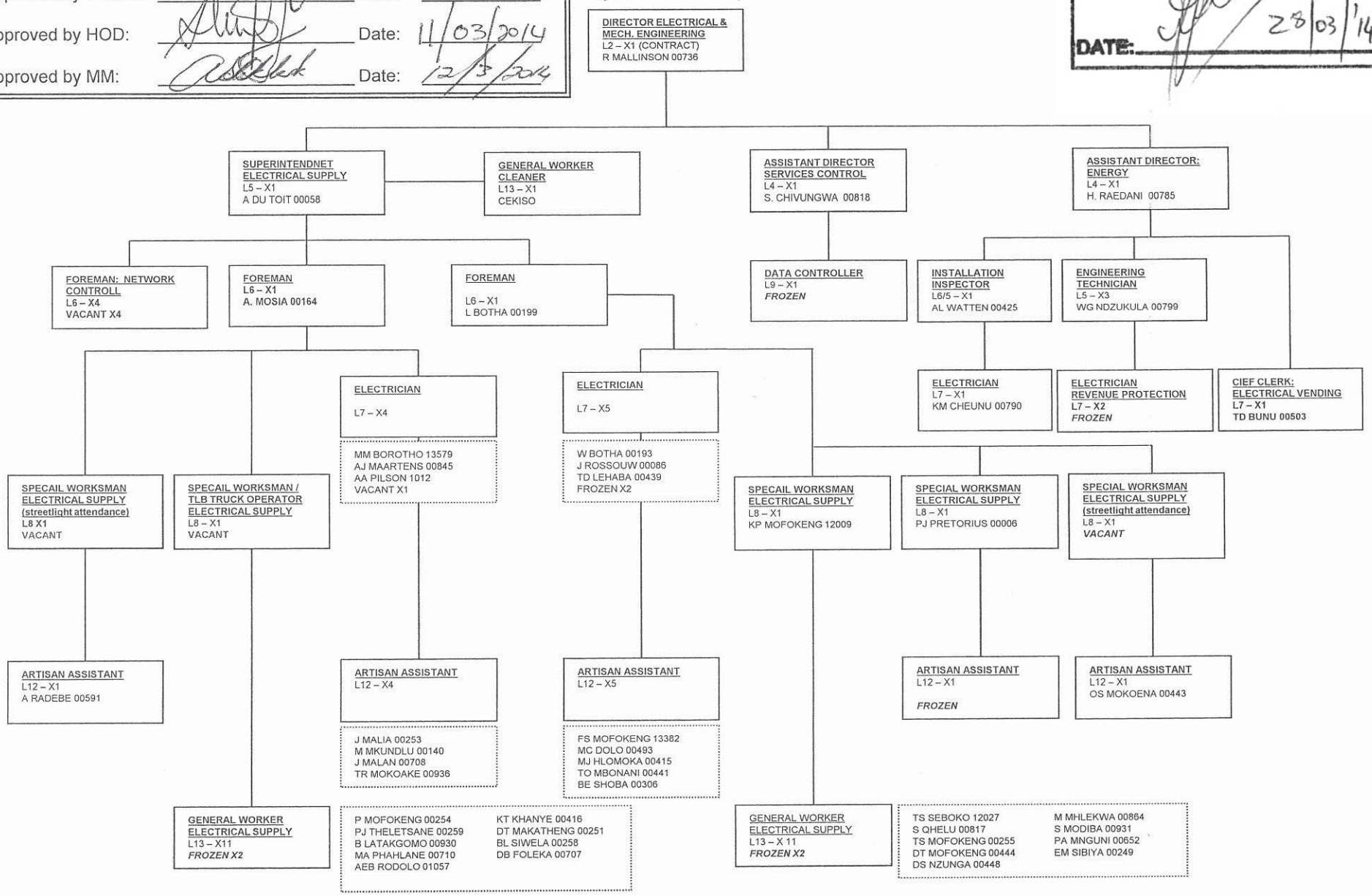
MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/'14



Organisational Structure – ENGINEERING SERVICES – Electrical Services (2014/2015)

Checked by HR:		Date: 11/02/2014
Approved by Finance:		Date: 11/03/2014
Approved by HOD:		Date: 11/03/2014
Approved by MM:		Date: 12/3/2014

MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/'14



Organisational Structure – ENGINEERING SERVICES – Roads & Storm Water Services

(2014/2015)

MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/'14

Checked by HR: _____ Date: 2014/03/11
Approved by Finance: _____ Date: 11/3/2014
Approved by HOD: _____ Date: 11/03/2014
Approved by MM: _____ Date: 2/3/2014

ASSISTANT DIRECTOR: ROADS & STORMWATER
L4 – X1
R. MASWIME 00958

ADMIN CLERK
L9 – X1
VACANT

SUPERINTENDENT ROADS & STORMWATER
L5 – X1
LA MOKHASI 00183

FOREMAN ROADS & STORMWATER
L6 – X1
G KYMDELL 00150

FOREMAN ROADS & STORMWATER
L6 – X1
I HOLT 00852

GENERAL WORKER / CLEANER
L13 – X1
ME MFENGUZA 01068

SPECIAL WORKSMAN ROADS & STORMWATER
L8 – X1
MF MATSOSO 00496

SPECIAL WORKSMAN ROADS & STORMWATER
L8 – X1
BS NOBOZA 00360

SPECIAL WORKSMAN ROADS & STORMWATER
L8 – X1
VJ MRUNDULU 28709

SPECIAL WORKSMAN ROADS & STORMWATER
L8 – X1
FROZEN

GRADER OPERATOR
L8 – X2
JM MOKOENA 00921
FROZEN

FRONT END LOADER TLB OPERATOR
L8 – X1
J KAMBULE 00112

GRADER OPERATOR
L8 – X3
FROZEN

GENERAL WORKSMAN ROADS & STORMWATER
L9 – X1
JM LOMBAARD 00356

WATERCART DRIVER
L10 – X2
FROZEN

DRIVER (CODE C1) ROADS & STORMWATER
L10 – X4

E PRINGANE 28718
JF MSIMANGA 00488
JS PRETORIUS 00823
FROZEN

TEAM LEADER ROADS & STORMWATER
L12 – X4

M SERIFI 00836
MD MTHIMKULU 28715
L OLIFANT 00277
MB TAU 00767

TEAM LEADER ROADS & STORM WATER
L12 – X1
FROZEN

GENERAL WORKER ROADS & STORM WATER
L13 – X 33
VACANT X2
FROZEN X5

LJ MARUMO 00227
NA TSOTETSI 00362
A BOYS 00878
MW SEFUTHI 00926
M NONGWENTE 01021
ZM MTHEMBU 12010
NC RALUSHE JONGA 01071
ZO TLOU 00281
MB MBABMATO 00752
D DE BRUIN 00937
F TSHABALALA 00932
BT YIKA 01022
M.J. TAU 01095
RT BOLOANG 00352
AM MAHAO 00828
SME MAMATELA 00903
JM ALFONSO 01017
MD RADEBE 32098
AM KWINDA 01066
MA KAMBULA 00353
NC MAKANGE 0085
KA GUQUKA 00904
K JACOBS 01018
HJ MOKOENA 32096
NA NGUBE 01070

General Workers may be re-assigned at the discretion of the Engineering Technician

Organisational Structure – ENGINEERING SERVICES – Water Services

(2014/2015)

MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/'14

Checked by HR: _____ Date: 11/03/2014
Approved by Finance: _____ Date: 11/3/2014
Approved by HOD: _____ Date: 11/03/2014
Approved by MM: _____ Date: 12/3/2014

ASSISTANT DIRECTOR: WATER SERVICES
L4 – X1
GEOFFREY CHAPMAN 00603

SUPERINTENDENT WATER
L5 – X1
A. MOKOENA 00294

FOREMAN WATER
L6 – X1
VACANT

GENERAL WORKER / CLEANER
L13 – X2
MF MOKOENA 00547
LP MASEKO 32039

PLUMBER WATER
L7 – X6

MA SEDIYANE 00523
SD MATSILISO 00532
VACANT X2
FROZEN X2

SPECIAL WORKSMAN WATER
L8 – X1
TJ MLAUDZI 00222)

SPECIAL WORKSMAN WATER
L8 – X1
H. NNETE 00501

SPECIAL WORKSMAN WATER
L8 – X1
TP MOETI 32019

MACHINE OPERATOR TLB / BOBCAT - WATER
L8 – X1
VE MNGOMEZULU 28688

MACHINE / BOBCAT - WATER
L8 – X1
FROZEN

DRIVER CODE (EC) WATER
L10 – X3
R VENTER 00089
AV TSHABALALA 138
VACANT X1

TEAM LEADER COMPACTION
L12 – X1
D MBONA 00095

GENERAL WORKER ELECTRICAL SUPPLY
L13 – x29
VACANT X1
FROZEN X1

TC SEIPEI 00097	LE NDLOVU 00223	MP DITHAKONG 00290	IP LENKA 00417
B MCELU 00418	BS NHLAPO 00494	MD MASEKO 00495	NJ MTHUNZI 00497
HR CHAKANE 00498	SM KOPUNG 00555	SD SITHUKUZA 00561	NS BIKA 00574
A MHLONGO 00580	L NHLAPO 00588	S NHLAPO 00590	KS MADUNA 00638
TV TAAIBOSCH 00642	MO MAGWAZA 00653	TJ MADUNA 00772	LG KAMTE 00774
M MOLEKO 00777	ML TSHANGELA 00779	AE SMITH 00840	F GOLIAT 01038
EM MOFOKENG 32020	TA RABORIFI 32021	RE KOLOTI 32024	

General Workers may be re-assigned at the discretion of the Engineering Technician

Organisational Structure – ENGINEERING SERVICES
SANITATION
(2014/2015)

Checked by HR: _____ Date: 11/03/2014

Approved by Finance: _____ Date: 11/3/2014

Approved by HOD: _____ Date: 11/03/2014

Approved by MM: _____ Date: 12/3/2014

MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/14

ASSISTANT DIRECTOR: SANITATION
L4 – X1
VACANT

SUPERINTENDENT SANITATION
L5 – X1
D. MAKONA 00816

GENERAL WORKER / CLEANER
L13 – X1
A.B. BEKEMYA 00981

MILLWRTIGHT
L6 – X1
DS VENTER 00592

MILLWRTIGHT PURIFICATION
L6 – X1
VACANT

PROCESS CONTROLLER
L6 – X1
S.P. LETLHAKE 00815

FOREMAN
L6 – X1
VACANT

TRAINEE PROCESS CONTROLLER (INTERNS)
L8 – X3
FROZEN X2
LEHLONOLO

BOBCAT OPERATOR
L8 – X1
AM JIYANE 00575

SPECIAL WORKSMAN PUMP OPERATIONS
L8 – X1
GPJ PRETORIUS 01845

SPECIAL WORKSMAN OHENIMURI
L8 – X1
TS SEFULA 00596

SPECIAL WORKSMAN PLUMBING
L8 – X1
P GWAZI 00687

TLB OPERATOR
L8 – X1
FROZEN

SPECIAL WORKSMAN
L8 – X1
UP DUMEZWENI 28717

GENERAL WORKSMAN
L9 – X1
S. HLAKOTSA 00188

GENERAL WORKSMAN
L9 – X1
J MOKOENA 00499

GENERAL WORKSMAN
L9 – X1
TP KHOALI 00915

PUMP OPERATOR ROTHDENE
L11 – X4

MJ MONCHO 28720
DJ BOGIBO 10819
IM SEKHOTO 00597
SH BIKIZANA 1003

TRACTOR DRIVER
L11 – X1
NEW

PUMP OPERATOR PURIFICATION
L11 – X6

Z MQUSHULU 28909
MM NHLAPO 28725
KA MAHLABA 00607
OD SELAI 00861
LB MOSIKILI 1007
VACANT X1

DRIVER(CODE EC)
L10 – X3

EM DHLAMINI 35180
MJ NDLOVU 00884
VACANT X1

ARTISAN ASSISTANT
L12 – X2
MJ MZUNGA 00062
FROZEN

ARTISAN ASSISTANT PURIFICAITON
L12 – X2
J MOFOKENG 28723
FROZEN

GENERAL WORKER
L13 – X 8

TA MOKETE 776
S MABELANE 00916
LD MADUNA 00917
NÊ MPEMBE 00923
MD SENAKGOMO 00927
MV THAJANE 32038
L. ZULU 00980
C MCHUNU 01019

GENERAL WORKER
L13 – X 3

MM MOFOKENG 29293
M.A. MOKULUBETE 00974
B.A. MOTAUNG 00947

GENERAL WORKER
L13 – X 2

MP TSOTETSI 00929
FROZEN

GENERAL WORKER
L13 – X 2

TA MAYA 00918
P STATU 00928

GENERAL WORKER PU
L13 – X 3

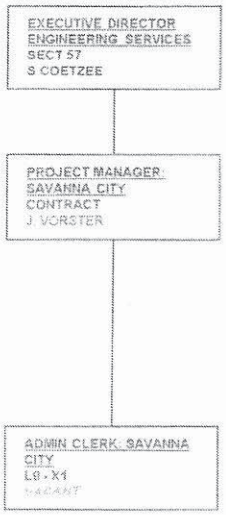
KO MOKOENA 00434
S MOSALA 00922
S MFENE 00919

GENERAL WORKER
L13 – X 3

SL MPUNGOSE 00500
TK TSOTETSI 28722
S.T. LETSOKA 00888

General Workers may be re-assigned at the discretion of the Engineering Technician.

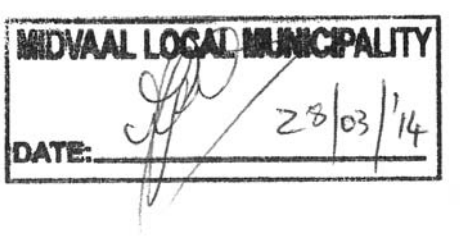
SAVANNA CITY
(2014/2015)



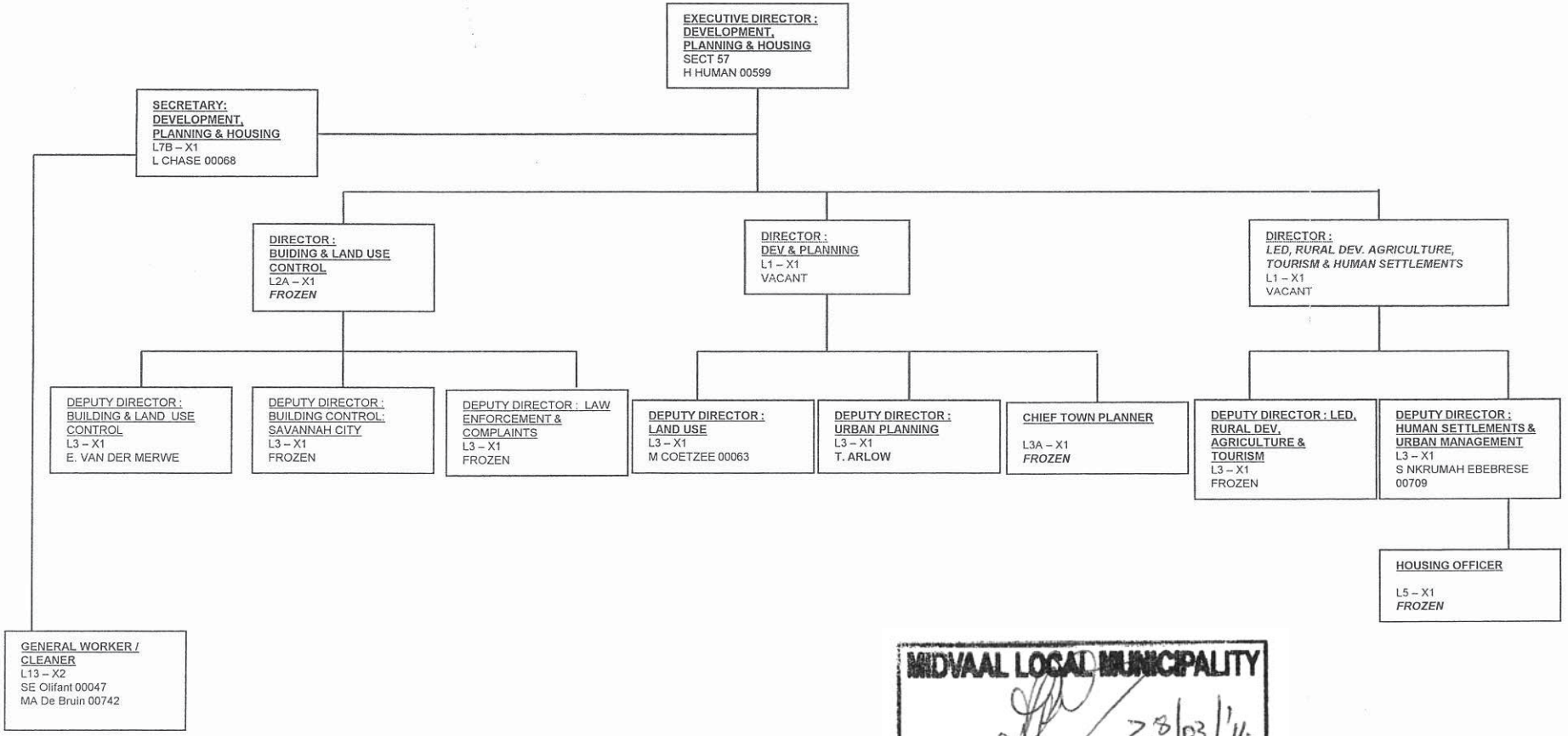
MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/14

Checked by HR: _____ Date: 12/3/14
Approved by Finance: _____ Date: 12/3/14
Approved by HOD: _____ Date: 12/3/14.
Approved by MM: _____ Date: 13/3/14

DEVELOPMENT, PLANNING & HOUSING



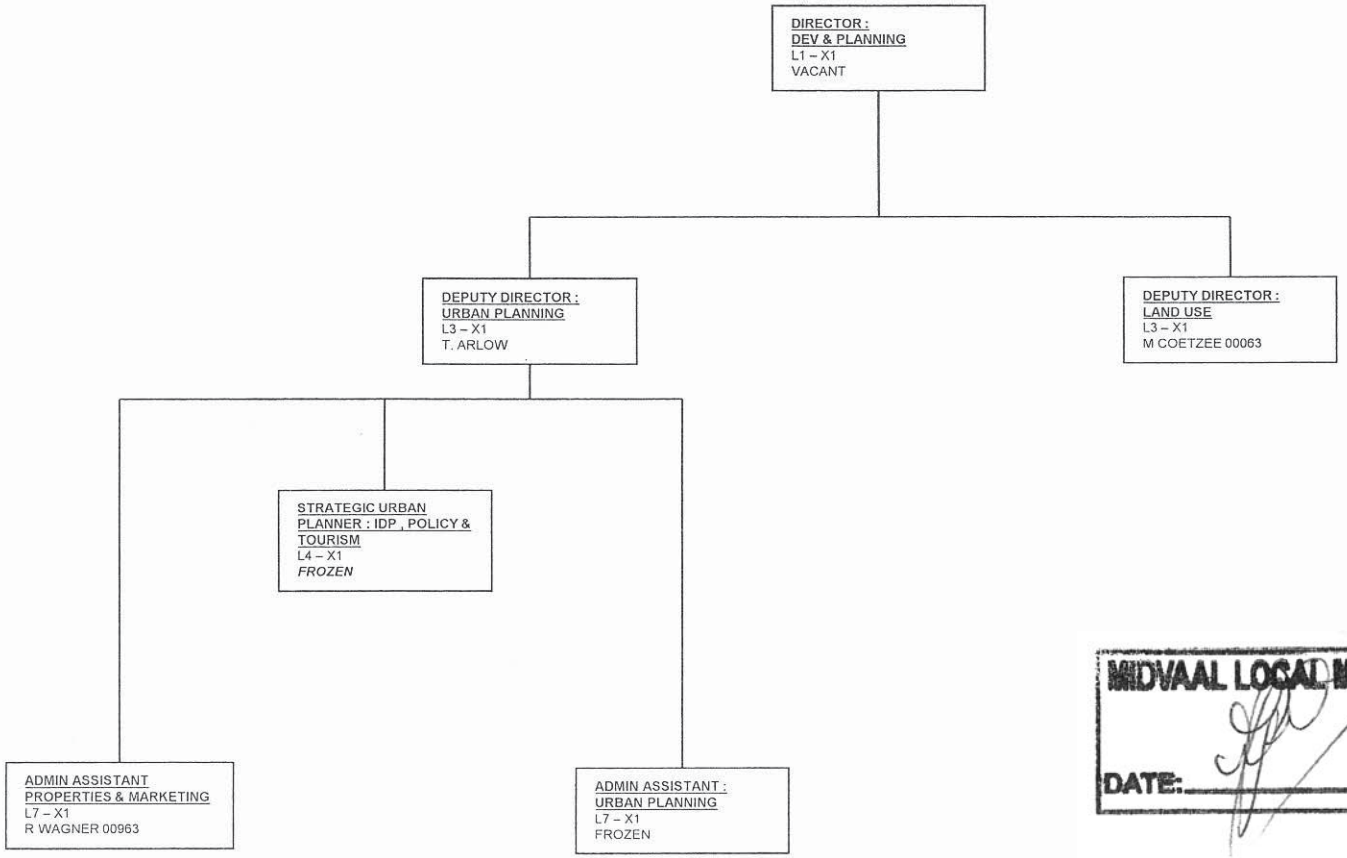
Organisational Structure – Development, Planning & Housing
(2014/2015)



MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/14

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Approved by Finance:		Date:	7/3/14
Approved by HOD:		Date:	7/3/14.
Approved by MM:		Date:	12/3/14

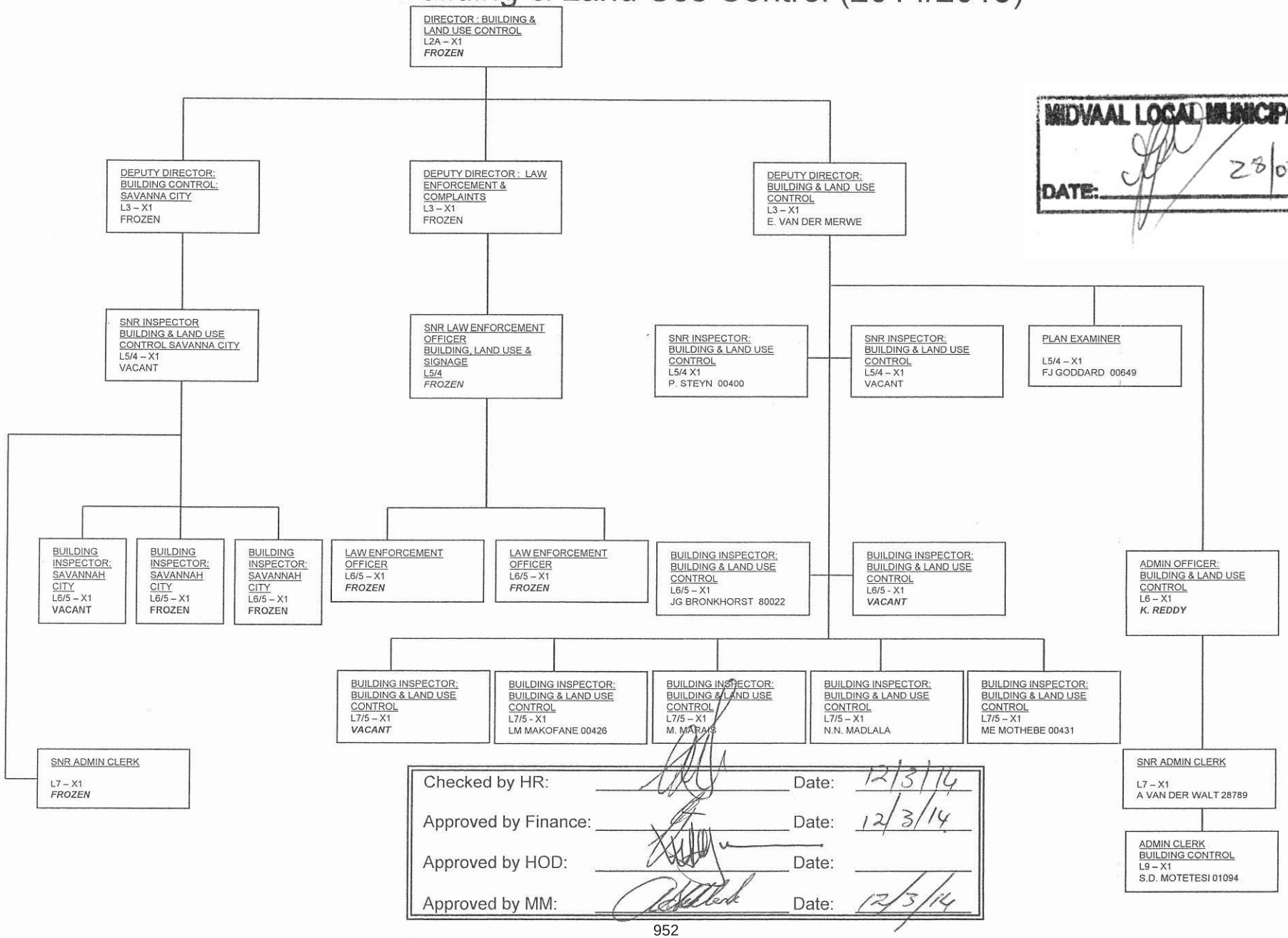
Organisational Structure – Development, Planning & Housing : Urban Planning & Housing (2014/2015)



MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/'14

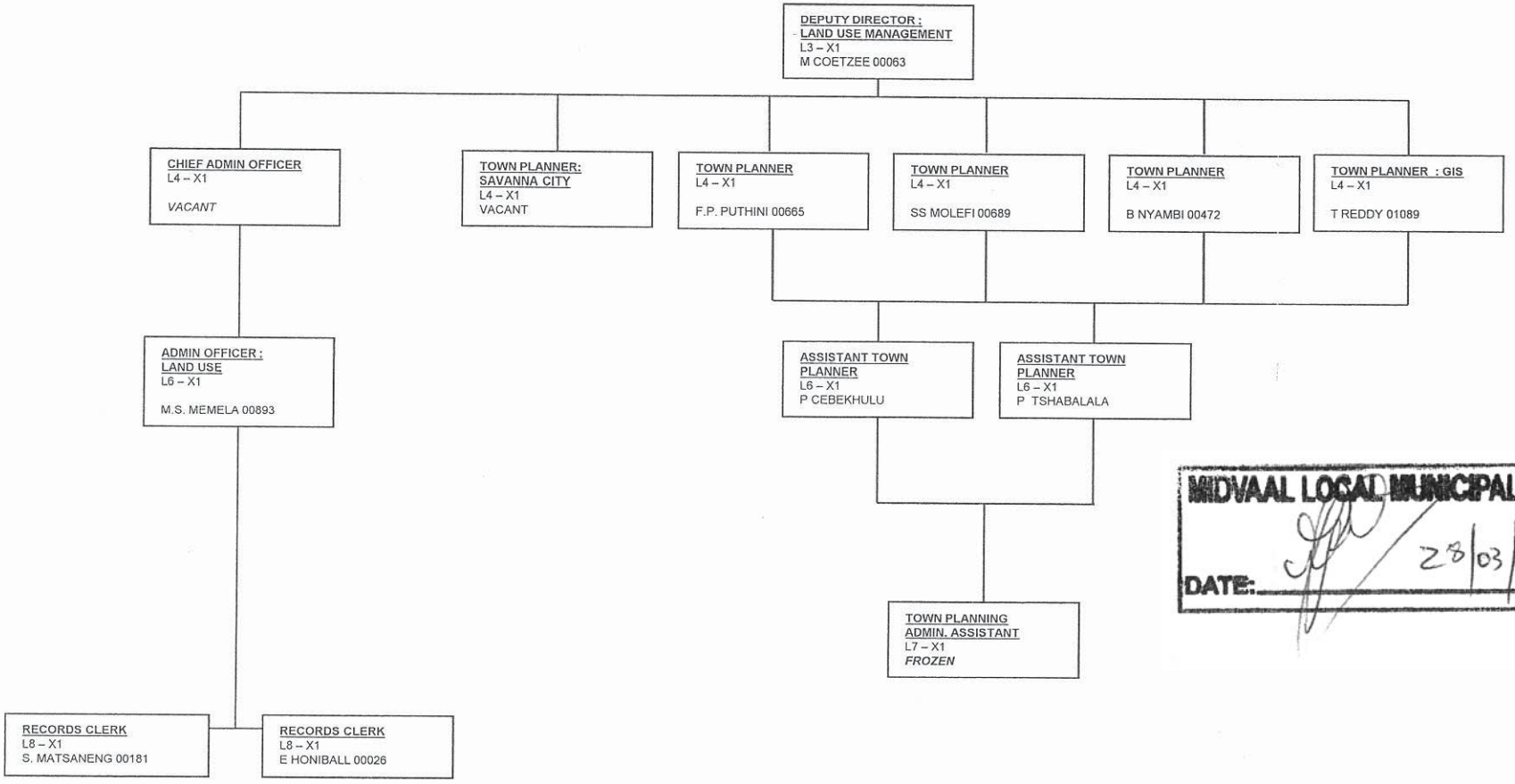
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Approved by HOD:		Date:	28/02/14
Approved by MM:		Date:	12/3/14

Organisational Structure – Development, Planning & Housing : Building & Land Use Control (2014/2015)



MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/14

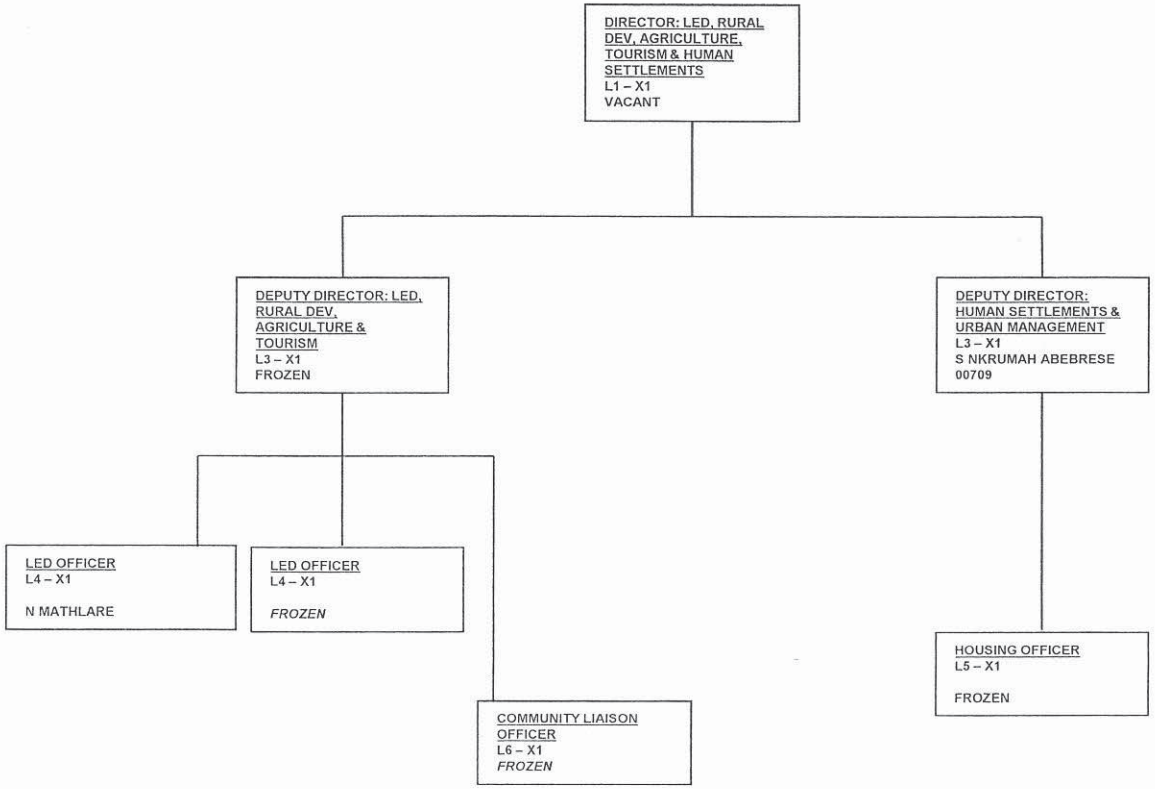
Organisational Structure – Development, Planning & Housing : Land Use Management (2014/2015)



MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/14

Checked by HR:		Date:	12/3/14
Approved by Finance:		Date:	12/3/14
Approved by HOD:		Date:	
Approved by MM:		Date:	12/3/14

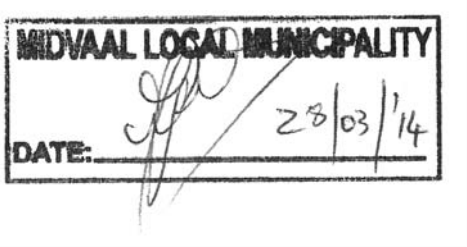
Organisational Structure – Development, Planning & Housing : Urban Planning & Housing (2014/2015)



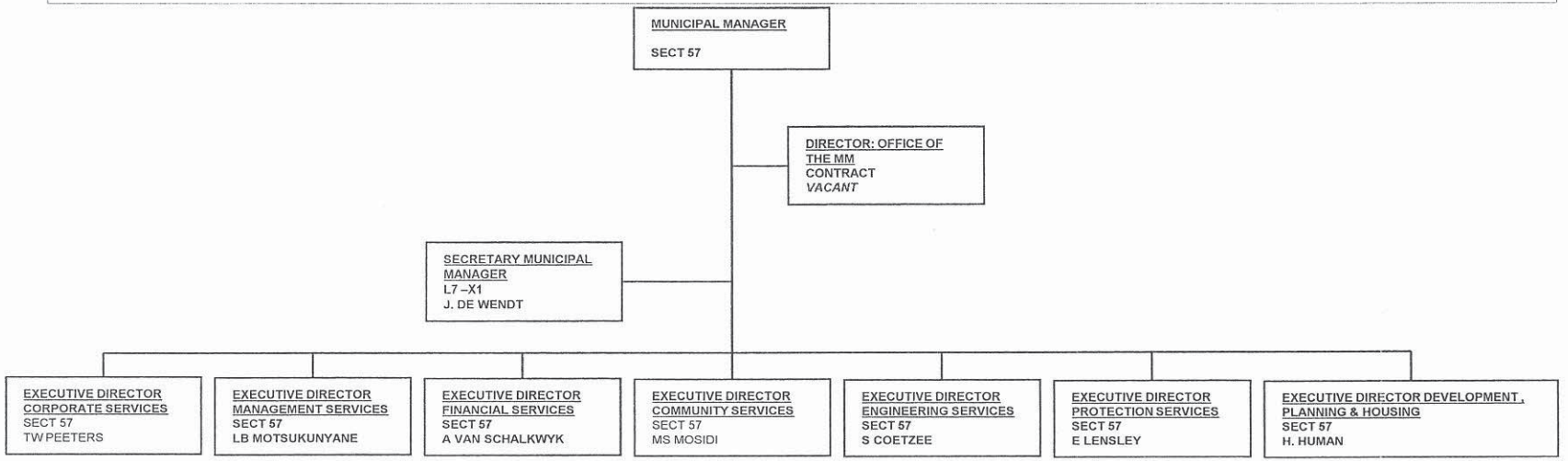
MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/14

Checked by HR:		Date:	07/03/14
Approved by Finance:		Date:	7/3/14
Approved by HOD:		Date:	28/02/14
Approved by MM:		Date:	

CORPORATE SERVICES



ORGANISATIONAL STRUCTURE – OFFICE OF THE MM (2014/2015)



Checked by HR: _____ Date: 07/03/14

Approved by Finance: _____ Date: 7/3/14

Approved by HOD: _____ Date: 11/03/2014

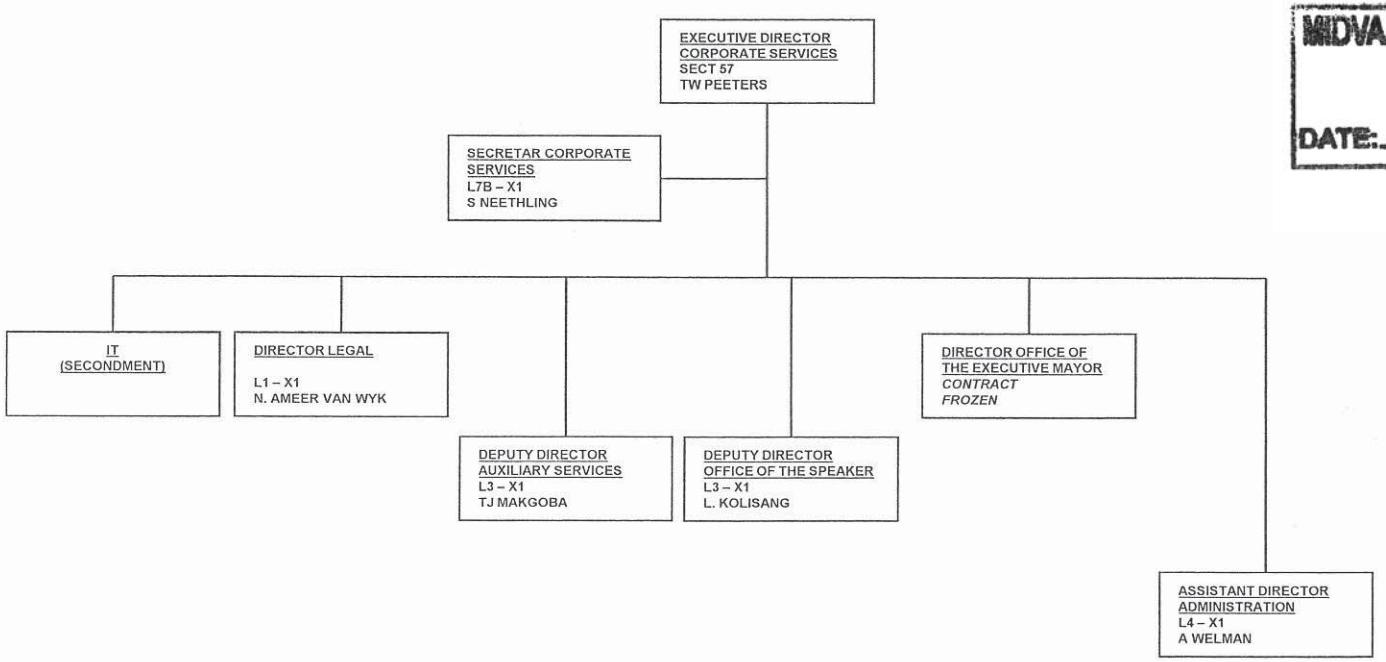
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MIDVAAL LOCAL MUNICIPALITY

DATE: 28/03/'14

ORGANISATIONAL STRUCTURE – CORPORATE SERVICES
(2014/2015)

MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/'14



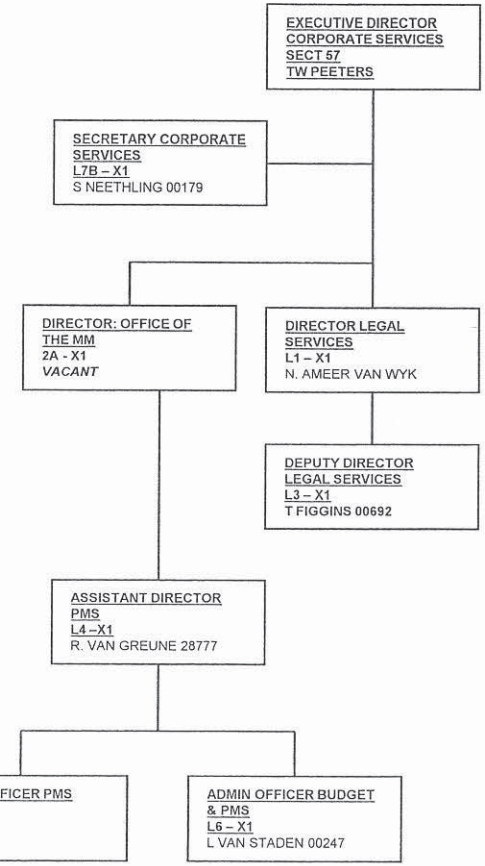
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Approved by Finance: _____ Date: 7/3/14

Approved by HOD: _____ Date: 11/03/2014

Approved by MM: _____ Date: 12/3/2014

ORGANISATIONAL STRUCTURE – CORPORATE SERVICES
(2014/2015) – LEGAL, PMS, BUDGET



MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/'14

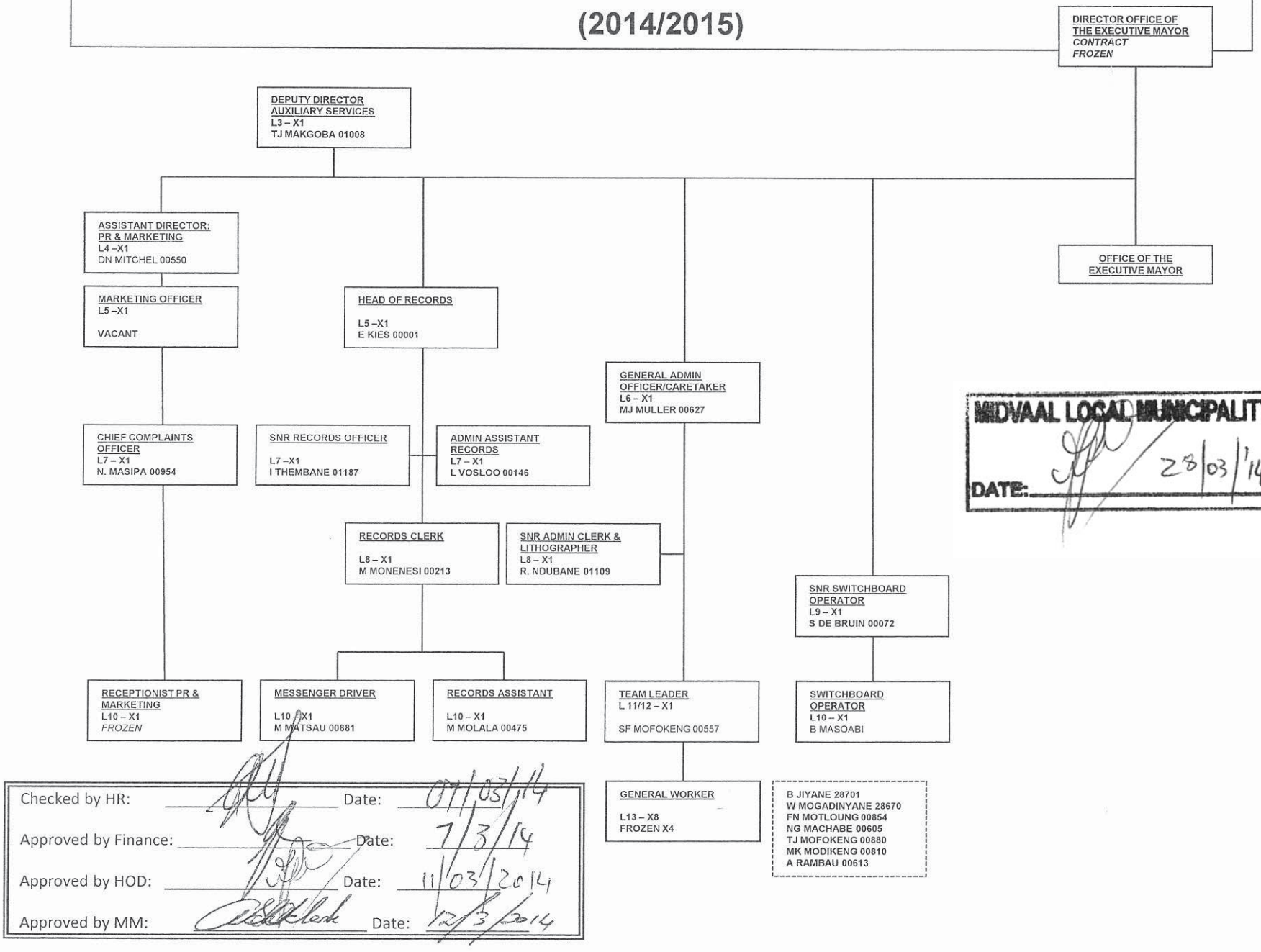
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Approved by MM: _____ Date: 12/3/2014

ORGANISATIONAL STRUCTURE – CORPORATE SERVICES
(2014/2015)



MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/'14

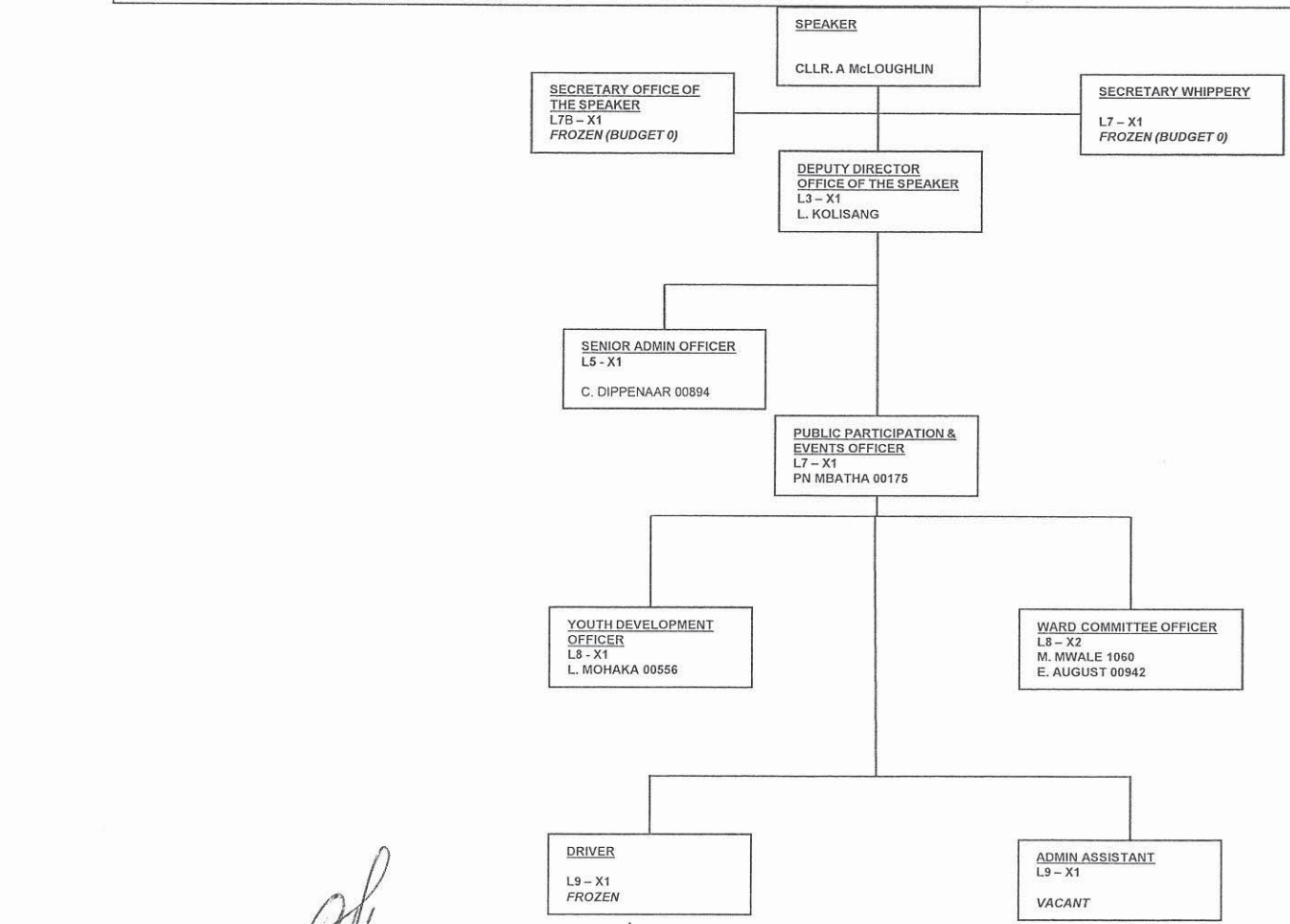
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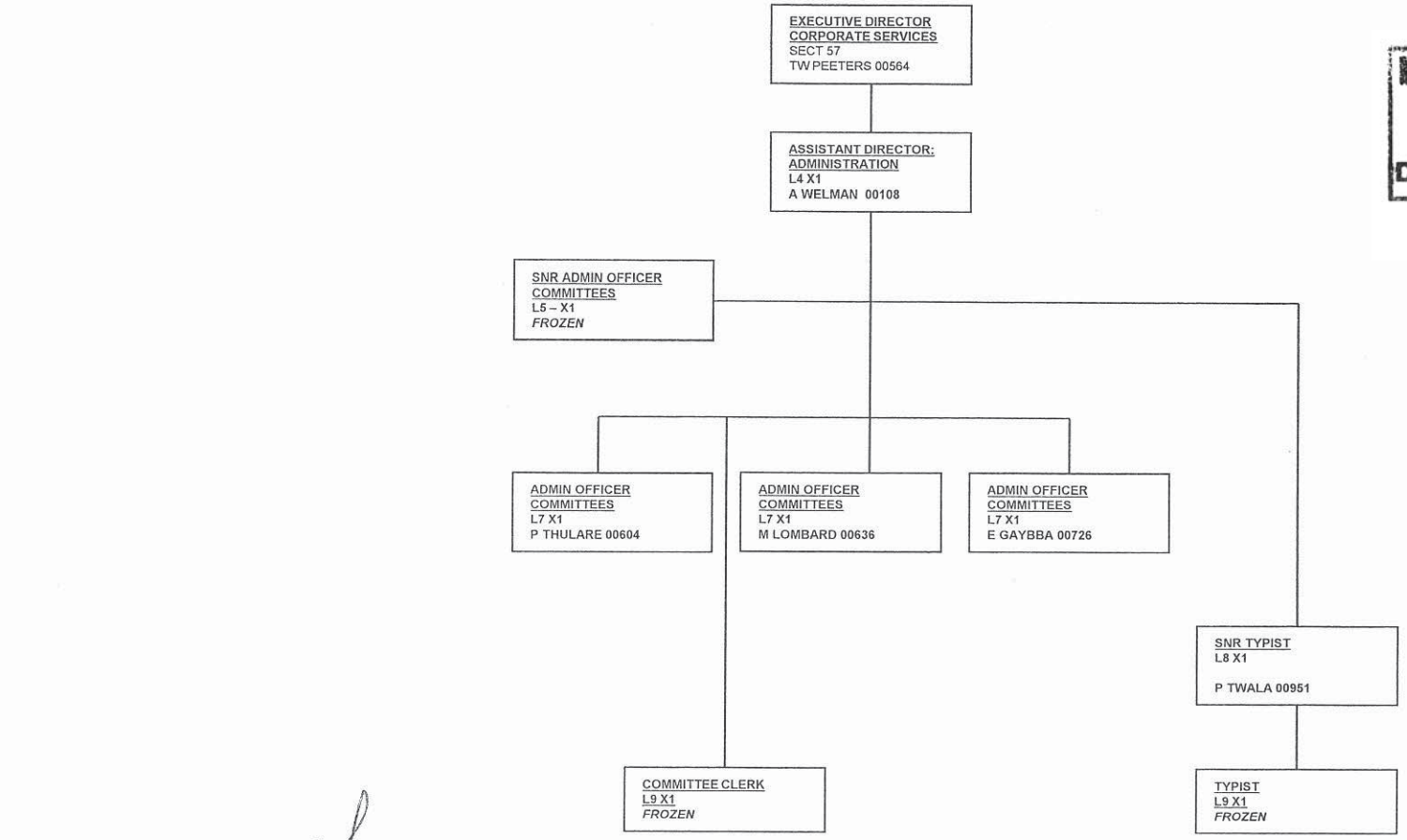
ORGANISATIONAL STRUCTURE – CORPORATE SERVICES
(2014/2015) – OFFICE OF THE SPEAKER



MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/'14

Checked by HR: _____ Date: 07/02/14
Approved by Finance: _____ Date: 7/3/14
Approved by HOD: _____ Date: 11/03/2014
Approved by MM: _____ Date: 12/3/2014

ORGANISATIONAL STRUCTURE – CORPORATE SERVICES
(2014/2015) - COMMITTEES



MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/14

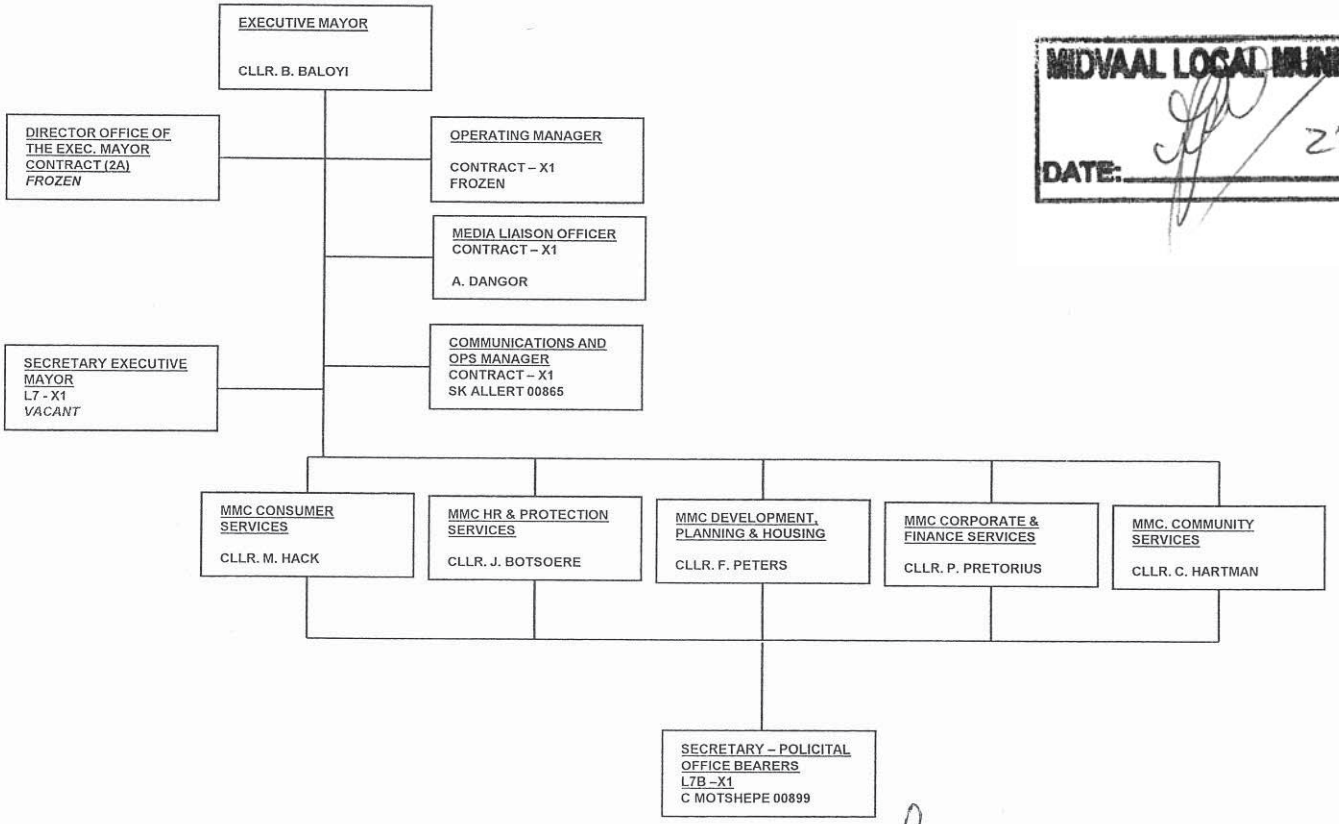
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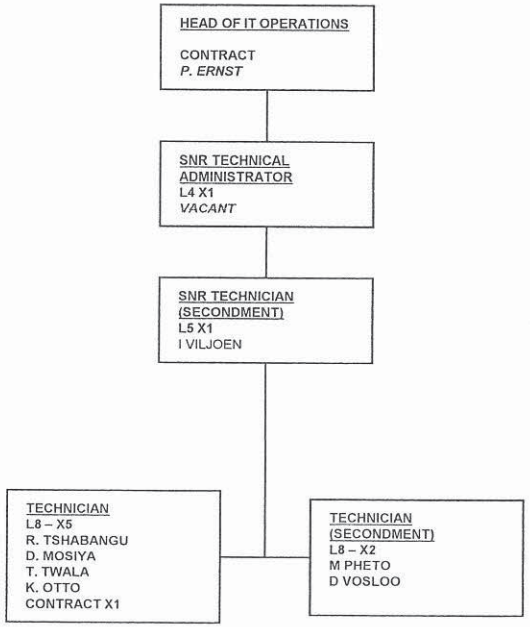
ORGANISATIONAL STRUCTURE – CORPORATE SERVICES
(2014/2015) – OFFICE OF THE EXECUTIVE MAYOR



MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/'14

Checked by HR: _____ Date: 07/03/14
Approved by Finance: _____ Date: 7/3/14
Approved by HOD: _____ Date: 11/03/2014
Approved by MM: _____ Date: 12/3/2014

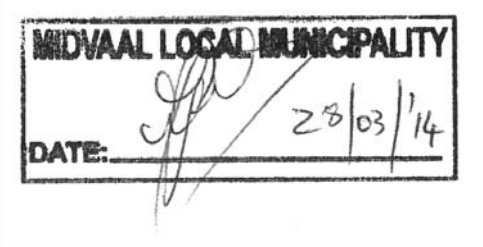
ORGANISATIONAL STRUCTURE – CORPORATE SERVICES
(2014/2015) – IT SECONDMENT



MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/'14

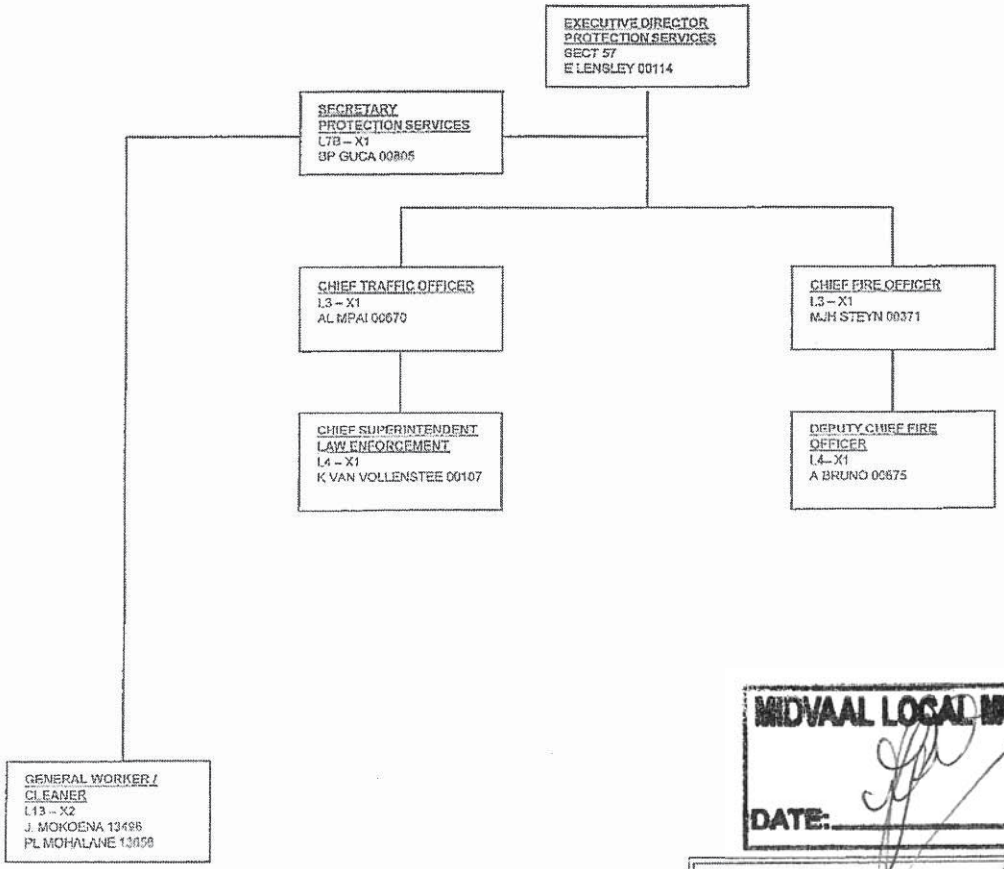
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Approved by HOD: _____ Date: 11/03/2014
Approved by MM: _____ Date: 12/3/2014

PROTECTION SERVICES



Organisational Structure – Protection Services

(Amended January 2014/2015)



MIDVAAL LOCAL MUNICIPALITY

DATE: 28/03/'14

Checked by HR: _____ Date: 07/05/14

Approved by Finance: _____ Date: 7/3/14

Approved by HOD: _____ Date: 7/3/14

Approved by MM: _____ Date: 12/3/14

Organisational Structure – Protection Services - Fire

(Amended February 2014 -2015)

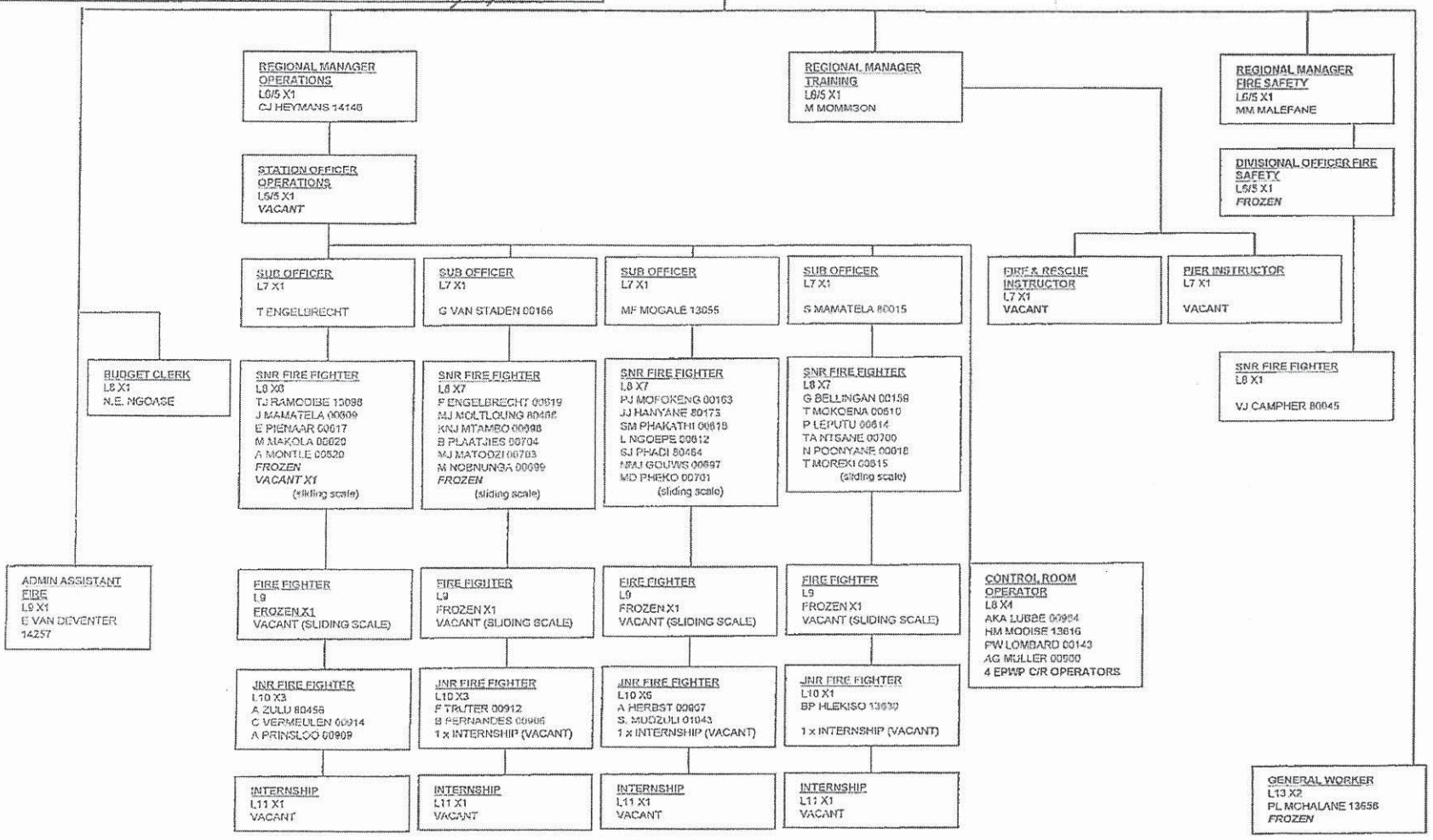
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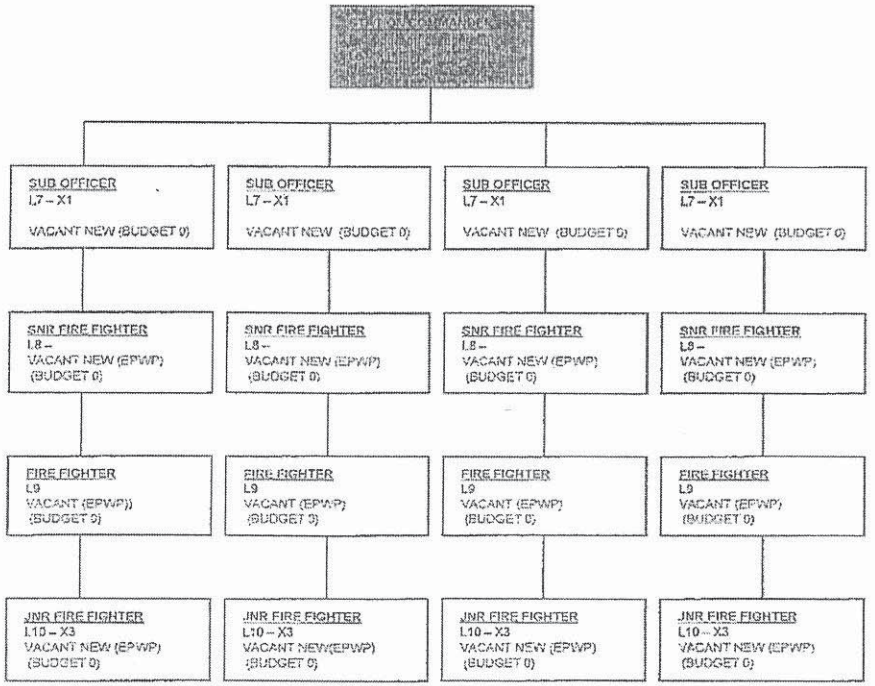
Approved by HOD: _____ Date: 7/3/14

Approved by MM: _____ Date: 2/3/14

MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/14



Organisational Structure – Protection Services - Fire
(Vaal Marina 2014-2015)



MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/14

Checked by HR: _____ Date: 07/03/14
Approved by Finance: _____ Date: 7/3/14
Approved by HOD: _____ Date: 7/3/14
Approved by MM: _____ Date: 12/3/14

Organisational Structure – Protection Services - Traffic

(2014-2015)

Checked by HR: _____ Date: 04/03/2014

Approved by Finance: _____ Date: 7/3/14

Approved by HOD: _____ Date: 7/3/14

Approved by MM: _____ Date: 12/3/14

CHIEF TRAFFIC OFFICER
L3 – X1
AL MPAI 00670

CHIEF SUPERINTENDENT LAW ENFORCEMENT
L4 – X1
K V VOLLENSTEE 00107

POINT DUTY OFFICERS
ME MAJOLA 00075
TJ LUTA 00214
SI KUBHEKA 00212
KJ DHLAMINI 00241
MA PAPALI 00504
M MATONKA 00586
N NGQOLEKA
DR MASINYA
VACANT X 2

SUPERINTENDENT CRIME PREVENTION & VIP
L6/5 – X1
FROZEN

DRIVER EXECUTIVE MAYOR
L7 – X2
PM MAKITLA 00643

BODYGUARD: EXECUTIVE MAYOR
L8 – X1
VACANT

SUPERINTENDENT SPEED
L6/5 – X1
FROZEN

ASSISTANT SUPERINTENDNET
L8 – X1
B SMIT 00042

TRAFFIC OFFICER
L8/7
S MACINTOSH
E MANANA 00654
M. MPHOLO 00639
MJ LOURENS 00658

BUSINESS TRADING LICENSE OFFICER
L8 X1
FROZEN

TRADING LICENSE ASSISTANT
L9 – X4
FROZEN

JUNIOR LICENSING OFFICERS
EPWP – X7

SUPERINTENDENT LAW ENFORCEMENT
L6/5 – X1
AG BOTHA 14342

ASSISTANT SUPERINTENDNET
L8 – X1
D. SIMELANE 00543

TRAFFIC OFFICER
L8/7
K BALOYI 00240
D C LENTSA 535
ME THAMAI 00646
FROZEN X3

TRAFFIC OFFICER GR1
L8
FROZEN

TRAFFIC OFFICER GR2
L9 – X3
FROZEN X3

TRAFFIC WARDEN OFFICER (INTERNS)
X4
M.R. MAZIBUKO
V.P. NOMEVA
N.M. GODOLE
T.A. NKEKI

SUPERINTENDENT LAW ENFORCEMENT
L6/5 – X1
P NKIWINIKA 00540

ASSISTANT SUPERINTENDNET
L8 – X1
FROZEN

TRAFFIC OFFICER
L8/7
E. MANYESANE
M LE ROUX 00179
NA MAHODE 00675
DG LABUSCHAGNE 00622

TRAFFIC OFFICER GR1
L8
FROZEN

TRAFFIC OFFICER GR2
L9 – X3
FROZEN X3

TRAFFIC WARDEN OFFICER (INTERNS)
X4
J.T. SOLDAT
R. RADEBE
X.O. MAZINGELA
J.P. LENKA

SUPERINTENDENT LAW ENFORCEMENT
L6/5 – X1
FROZEN

ASSISTANT SUPERINTENDNET
L8 – X1
FROZEN

WARDEN CBD OFFICER
L8/7 – X1
FROZEN

TRAFFIC OFFICER GR1
L8 X
FROZEN

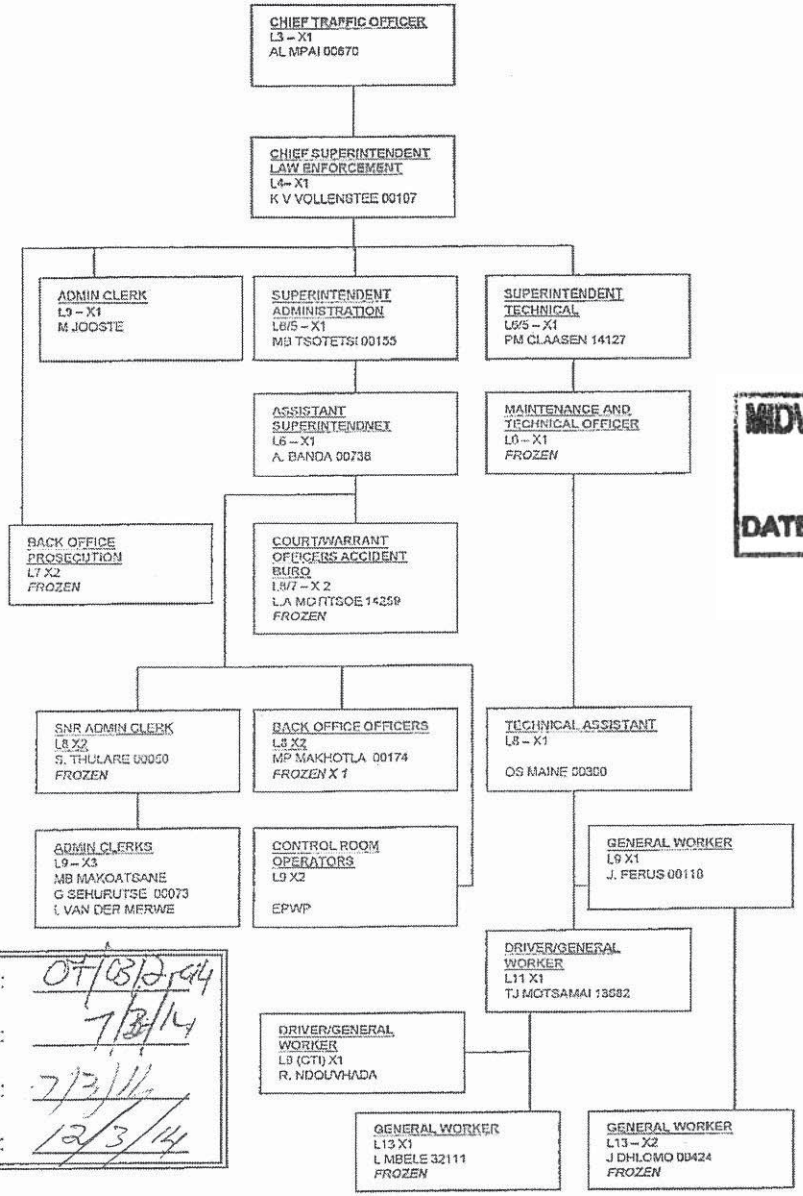
TRAFFIC OFFICER GR2
L9 – X
FROZEN X3

INTERNS
X6
FROZEN

MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/14

Organisational Structure – Protection Services - Traffic

(2014-2015)



MIDVAAL LOCAL MUNICIPALITY
DATE: 28/03/14

Checked by HR: _____ Date: 07/03/14
Approved by Finance: _____ Date: 7/3/14
Approved by HOD: _____ Date: 7/3/14
Approved by MM: _____ Date: 12/3/14